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Human resources management

Report of the Fifth Committee

Rapporteur: Mr. Haile Selassie **Getachew** (Ethiopia)

I. Introduction

1. At its 19th plenary meeting, on 20 September 2002, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its fifty-seventh session the item entitled "Human resources management" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 17th, 18th and 21st meetings, on 28 and 29 October and 5 November 2002 and at its 39th, 40th and 45th meetings, on 3, 4 and 28 March 2003. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/57/SR.17, 18, 21, 39, 40 and 45).

3. For its consideration of the item, the Committee had before it the following documents:

Human resources management reform

Report of the Secretary-General (A/57/293)

Report of the Secretary-General on monitoring capacity in the Office of Human Resources Management (A/57/276)

Relevant chapter of the report of the International Civil Service Commission for 2002 (A/57/30)[1]

Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/469, paras. 16-18)

[1] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 30.*

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Composition of the Secretariat

Reports of the Secretary-General (A/56/512 and Corr.1 and A/57/414)

Reports of the Secretary-General on the list of staff of the United Nations Secretariat (A/C.5/56/L.7 and A/C.5/57/L.3)

Amendments to the Staff Rules

Reports of the Secretary-General (A/56/227 and A/57/126)

Note by the Secretariat on the streamlining of rules (A/C.5/56/3)

Mandatory age of separation

Report of the Secretary-General (A/56/701)

Additional information on the mandatory age of separation (A/56/CRP.1 and Add.1)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/56/846)

Placement of staff members serving in the Executive Office of the Secretary-General

Report of the Secretary-General (A/56/816)

Use of consultants

Reports of the Secretary-General on consultants and individual contractors (A/56/834 and A/57/310)

Report of the Committee for Programme and Coordination on the work of its forty-second session (A/57/16,[2] chap. II, sect. C)

Report of the Advisory Committee on Administrative and Budgetary Questions (A/57/469, paras. 2-6)

Employment of retired former staff

Reports of the Secretary-General (A/55/451 and A/57/413)

Reports of the Advisory Committee on Administrative and Budgetary Questions (A/56/7,[3] paras. 130-135, and A/57/469, paras. 7-14)

Reports of the Office of Internal Oversight Services

Notes by the Secretary-General transmitting the report of the Office of Internal Oversight Services on possible discrimination due to nationality, race, sex, religion and language in recruitment, promotion and placement (A/56/956) and the comments of the Joint Inspection Unit thereon (A/56/956/Add.1)

Note by the Secretary-General transmitting the report of the Office of Internal Oversight Services on the implementation of all provisions of General Assembly resolution 55/258 on human resources management (A/57/726)

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[2] Ibid., *Supplement No. 16*.

[3] Ibid., *Fifty-sixth Session, Supplement No. 7*.

II. Consideration of proposals

A. Draft resolution A/C.5/57/L.58

4. At the 45th meeting, on 28 March, the representative of Pakistan and coordinator of the informal consultations on the item introduced, on behalf of the Chairman, a draft resolution entitled "Human resources management" (A/C.5/57/L.58) and orally revised it as follows:

(a) In footnote 1, a reference was inserted to document A/57/726 (report of the Office of Internal Oversight Services on the implementation of all provisions of General Assembly resolution 55/258 on human resources management);

(b) In section II, operative paragraph 16, the words "the Galaxy system" were replaced by the word "Galaxy";

(c) In section II, operative paragraph 24, the words "the two working languages" were replaced by the words "each of the two working languages";

(d) In section IX, operative paragraph 7, the words "future reports" were replaced by the words "future report" and the words "inter alia" were inserted after the word "including".

5. At the same meeting, the Committee adopted draft resolution A/C.5/57/L.58, as orally revised, without a vote (see para. 8).

6. After the adoption of the draft resolution, statements in explanation of position were made by the representatives of Morocco (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), Kenya, the Russian Federation and Greece (on behalf of the States Members of the United Nations that are members of the European Union).

B. Postponement of the consideration of certain documents

7. For the decision of the Committee regarding the postponement of the consideration of the documents relating to the question of possible discrimination due to nationality, race, sex, religion and language in recruitment, promotion and placement (A/56/956 and Add.1), see document A/57/648/Add.1.

III. Recommendation of the Fifth Committee

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Human resources management

The General Assembly,

Reaffirming its resolutions 49/222 A and B of 23 December 1994 and 20 July 1995, 51/226 of 3 April 1997, 52/219 of 22 December 1997, 52/252 of 8 September 1998, 53/221 of 7 April 1999 and 55/258 of 14 June 2001 and its decision 56/462 of

24 December 2001, as well as its other relevant resolutions and decisions, subject to the provisions of the present resolution,

Having considered the relevant reports on human resources management questions submitted to the General Assembly for its consideration[4] and the related reports of the Advisory Committee on Administrative and Budgetary Questions,[5]

I. Principles and role of the Office of Human Resources Management of the Secretariat

1. *Reaffirms* the principles set out in section I of its resolutions 53/221 and 55/258 concerning human resources management and the role of the Office of Human Resources Management of the Secretariat;

2. *Requests* the Secretary-General to ensure that United Nations staff members adhere fully to the United Nations code of conduct as approved by resolution 52/252, in conformity with staff regulation 1.2 of the Staff Regulations of the United Nations and the principle set out in section I, paragraph 6, of resolution 53/221 concerning the integrity and independence of the international civil service;

II. Human resources management reform

1. *Appreciates* the efforts of the Secretary-General aimed at reforming human resources management in the Organization, and in this regard reaffirms the importance of the central role of the Office of Human Resources Management in achieving this objective;

2. *Welcomes* the efforts of the Secretary-General to improve conditions of service within the framework of the common system, and affirms that his endeavours to improve performance, productivity and results across the Organization are a necessary complement to improved conditions of service;

3. *Endorses* the opinions of the Advisory Committee on Administrative and Budgetary Questions contained in paragraph 17 of its report;[6]

4. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session in a comprehensive manner on the achievements of the human resources management reform, when sufficient information will be available on the experiences of the Secretariat with the implementation of the reform initiatives as implemented within the prerogative of the Secretary-General or as approved by the General Assembly;

5. *Also requests* the Secretary-General to conduct a study, through the Office of Internal Oversight Services, on the impact of human resources management reform, in particular on the improvement of recruitment, placement, promotion and training, including an assessment of the role of the central review bodies and mobility, within the United Nations Secretariat, taking into account, inter

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[4] A/55/451, A/56/227, A/56/512 and Corr.1, A/56/701, A/56/816 and A/56/834; *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 16* (A/57/16) and *Supplement No. 30* (A/57/30); A/57/126, A/57/276, A/57/293, A/57/310, A/57/413, A/57/414, A/57/726 and A/C.5/56/3, A/C.5/56/L.7 and A/C.5/57/L.3.

[5] *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 7* (A/56/7), paras. 130-135; A/56/846 and A/57/469.

[6] A/57/469.

alia, the relevant reports of the Joint Inspection Unit, and to report thereon to the General Assembly at its fifty-ninth session;

6. *Further requests* the Secretary-General to ensure that all future reports on the implementation of the human resources management focus on the results of such measures;

Recruitment and placement

7. *Reaffirms* the provisions contained in section IV of its resolution 55/258 on recruitment, placement and promotion, and requests the Secretary-General to ensure the full implementation thereof;

8. *Requests* the Secretary-General to ensure that the highest standards of efficiency, competence and integrity serve as the paramount consideration in the employment of staff, with due regard to the principle of equitable geographical distribution, in accordance with Article 101, paragraph 3, of the Charter of the United Nations;

9. *Reiterates* the value of a transparent process of recruitment, placement and promotion in the Organization;

10. *Requests* the Secretary-General to ensure the accountability of programme managers in the staff selection process, in close collaboration with the Office of Human Resources Management, and to report thereon to the General Assembly at its fifty-ninth session;

11. *Also requests* the Secretary-General to develop measures, as necessary, in cooperation with the Office of Internal Oversight Services and the Joint Inspection Unit, to prevent discrimination on the basis of nationality, race, gender, religion and language in the United Nations, in accordance with the principles of the Charter and the provisions of the Staff Regulations and Rules of the United Nations, and to report to the General Assembly during its fifty-ninth session;

12. *Reiterates its concern* about the continuing high vacancy rates at some United Nations duty stations and regional commissions, especially those located in developing countries;

13. *Recalls* the findings, conclusions and recommendations of the Office of Internal Oversight Services following the inspection of the administrative and management practices of the United Nations Office at Nairobi,[7] and in this regard requests the Secretary-General to address the causes of the continuous high vacancy rates at all the heavily affected United Nations offices and regional commissions in developing countries, particularly those located in Africa, and to report thereon to the General Assembly at its fifty-ninth session;

14. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the differences between the policies and procedures for staff recruitment, selection and appointment of the United Nations Secretariat and those of jointly funded organizations, such as the United Nations Joint Staff Pension Fund, the International Civil Service Commission and the Joint Inspection Unit, specifically addressing the mechanisms in those jointly funded organizations to

[7] A/56/620.

ensure equal access to the opportunity to compete for positions, merit-based staffing and fairness and transparency in the selection process;

15. *Welcomes* the introduction of Galaxy, and requests the Secretary-General to ensure that it will enhance transparency, efficiency and effectiveness in the recruitment process of the United Nations system, subject to the framework of current mandates of human resources management in the Organization;

16. *Notes* that nationals of 186 Member States have submitted employment applications utilizing Galaxy;

17. *Requests* the Secretary-General to further improve Galaxy, including measures to deal with the increased number of applications, and to invite all the organizations of the United Nations system to use Galaxy for recruitment and to report on its performance to the General Assembly at its fifty-ninth session;

18. *Also requests* the Secretary-General to inform Member States monthly, through the United Nations web site, and upon request in hard copy, of appointments made;

19. *Further requests* the Secretary-General to ensure that relevant experience, knowledge and institutional memory acquired in the United Nations system are given due consideration in evaluating applications for promotion, consistent with the need to select staff on the basis of merit, demonstrated competencies and performance;

20. *Requests* the Secretary-General, while filling vacant posts in the language services of the Secretariat, to ensure the highest quality of translation and interpretation in all six official languages;

21. *Recalls* its resolution 55/258, in particular section IV, paragraph 3, and draws attention to the difficulties relating to access to information technology by some developing countries, including the least developed countries;

22. *Requests* the Secretary-General, in view of the difficulties referred to above, to continue to maintain a system of circulation of hard copies of all vacancy announcements, in accordance with resolution 55/258, for distribution to all delegations, except those that indicate otherwise, as well as to continue the practice of receiving and processing of applications in hard copy;

23. *Also requests* the Secretary-General to provide information on Galaxy in all six official languages on the official United Nations web site;

24. *Reaffirms* the need to respect the equality of each of the two working languages of the Secretariat, reaffirms also the use of additional working languages in specific duty stations as mandated, and in this regard requests the Secretary-General to ensure that vacancy announcements specify the need for either of the working languages of the Secretariat, unless the functions of the post require a specific working language;

25. *Affirms* the need for vacant posts to be filled expeditiously, subject to operational requirements, and requests the Secretary-General to make efforts to complete the recruitment process without delay;

26. *Welcomes* the progress made in reducing the number of Member States that are unrepresented in the Secretariat;

27. *Expresses concern*, however, at the number of Member States that continue to be unrepresented and underrepresented in the Secretariat and the increase in the number of overrepresented Member States;

28. *Reaffirms* section IV, paragraph 8, of resolution 55/258, including the requirement for indicative means to measure progress in improving equitable geographical representation;

29. *Requests* the Secretary-General to provide information on these issues, including on section IV, paragraph 8, of resolution 55/258, in a separate, self-contained report for consideration at the fifty-ninth session of the General Assembly;

30. *Also requests* the Secretary-General to include an analysis of the level of underrepresentation in future reports on the composition of the Secretariat;

31. *Recognizes* that Galaxy should have a positive impact on improving equitable geographical distribution among Member States in the process of recruiting United Nations staff;

32. *Reiterates* its request to the Secretary-General, contained in section X, paragraph 3, of resolution 55/258, to further increase his efforts to improve the composition of the Secretariat by ensuring a wide and equitable geographical distribution of staff in all departments;

33. *Requests* the Secretary-General to hold the heads of relevant departments accountable for the human resources action plan and to ensure that they in turn take due account of equitable geographical representation when considering candidates on the list endorsed by the central review bodies, as well as on the roster, and to report to the General Assembly annually on progress made by departments on the implementation of their respective human resources action plans;

34. *Reaffirms* the established policies by which temporary staff are used to replace staff on extended sick leave or maternity leave or to cover essential work, which, as a result of vacancies, cannot be performed by regular staff;

35. *Requests* the Secretary-General to report on the function, relevant operational factors and incidence of temporary staff appointed at the Professional level or above for less than one year under the 100 series of the Staff Rules, and the implications for substantive appointments to the Secretariat;

36. *Invites* the Secretary-General to consider including the question of equitable geographical representation in the secretariats of the United Nations system in the agenda of the United Nations System Chief Executives Board for Coordination and to report thereon to the General Assembly at its fifty-ninth session;

37. *Reaffirms* that, in accordance with its resolutions 41/206 A of 11 December 1986, 53/221 of 7 April 1999 and 55/258 of 14 June 2001, no post should be considered the exclusive preserve of any Member State or group of States, including at the highest levels, and requests the Secretary-General to ensure that, as a general rule, no national of a Member State succeeds a national of that State in a senior post and that there is no monopoly on senior posts by nationals of any State or group of States, and to report thereon to the General Assembly at its fifty-ninth session;

38. *Reiterates its request* to the Secretary-General to take all necessary measures to ensure, at the senior and policy-making levels of the Secretariat, equitable representation of Member States, especially those with inadequate representation at those levels, including unrepresented and underrepresented States, in particular developing countries, in accordance with the relevant resolutions of the General Assembly, and to continue to include relevant information thereon in all future reports on the composition of the Secretariat;

39. *Reiterates its request*, contained in section XIV, paragraph 2, of its resolution 55/258, which recalled resolution 53/221, including the reaffirmation of the goal of 50/50 gender distribution by 2000 in all categories of posts within the United Nations system, especially at the D-1 level and above, with full respect for the principle of equitable geographic distribution, in conformity with Article 101 of the Charter, and taking into account the continuing lack of representation or underrepresentation of women from certain countries, in particular from developing countries and countries with economies in transition;

40. *Reiterates* section III.C, paragraph 8, of its resolution 51/226, in which it strongly encouraged Member States to support the efforts of the United Nations and the specialized agencies to increase the percentage of women in Professional posts, especially at the D-1 level and above, by identifying and regularly presenting more women candidates and by encouraging women to apply for posts in the Secretariat of the United Nations and the specialized agencies;

41. *Requests* the Secretary-General, in the light of ongoing concern about the underrepresentation of women in the United Nations, especially at senior levels, to undertake a comprehensive review of progress made towards the goal of 50/50 gender distribution, including, inter alia, the factors affecting progress, and to submit proposals to improve gender representation, particularly in offices in which women are underrepresented, to the General Assembly at its fifty-ninth session;

42. *Reiterates* that the national competitive examination programme is a useful tool for selecting the best qualified candidates from inadequately represented Member States, and requests the Secretary-General to continue to hold the examinations for posts subject to geographical distribution at the P-2 and, if necessary, P-3 levels for those Member States;

43. *Reiterates* the policy that appointments at the P-3 level shall normally be made through competitive examination;

44. *Notes* that the time needed to complete a national competitive examination cycle from the deadline for the applications until the successful candidate is placed on the roster is one year or more, and requests the Secretary-General to significantly reduce the time needed, and to report thereon to the General Assembly at its fifty-ninth session;

45. *Recalls* paragraph 39 of its resolution 57/300 of 20 December 2002, and requests the Secretary-General to ensure that movement from the General Service to the Professional category should be consistent with legislative mandates;

46. *Notes with concern* the low proportion of staff below the age of 35 years, and requests the Secretary-General to examine the factors that inhibit the selection of young people and to report accordingly to the Assembly at its fifty-ninth session;

Mobility

47. *Welcomes* the efforts of the Secretary-General to develop a more versatile, multi-skilled, mobile and experienced international civil service;

48. *Recalls* section V of its resolution 55/258;

49. *Stresses* in this regard that when implementing mobility policies the Secretary-General should ensure that:

- Mobility does not negatively affect the continuity and the quality of services and the institutional memory and capacity of the Organization;
- It does not lead to the transfer or abolition of posts as a result of vacancies;
- It has a positive impact in filling existing high vacancy rates in some United Nations duty stations and regional commissions;
- There is a clear differentiation between mobility within duty stations and mobility across duty stations and that the latter should be a more important factor in career development;
- Mobility is encouraged in all categories of Professional and higher level posts;

50. *Acknowledges* that mobility needs to be supported through greater efforts to improve conditions of life and work throughout different duty stations;

51. *Encourages* the Secretary-General to expedite, as appropriate, the agreements between the Secretariat and the United Nations funds and programmes and the specialized agencies for all staff levels in relation to mobility;

52. *Requests* the Secretary-General to take the necessary steps to ensure that mobility will not be used as an instrument of coercion against staff;

53. *Also requests* the Secretary-General to closely monitor mobility and to submit proposals to the General Assembly, for its consideration at its fifty-ninth session, in order to solve any problems resulting from increased staff mobility;

Performance management and career development

54. *Acknowledges with appreciation* the achievements to date in establishing and promulgating organizational values and core and managerial competencies, expanded learning and development programmes and a revised performance management system as steps towards developing staff careers;

55. *Notes with appreciation* the efforts of the Secretary-General to create a fair, equitable, transparent and measurable system of performance management for all staff, and encourages the Secretary-General to continue to develop a results-based culture that rewards excellent performance;

56. *Requests* the Secretary-General to implement all necessary measures to further enhance a comprehensive and systematic career development system, including in the areas of the performance appraisal system, training and competitive examinations, in order to provide for the recognition of competence and outstanding performance and to facilitate the continuous professional growth of staff at all levels, and to report to the General Assembly at its fifty-ninth session on the progress made in the implementation of those measures;

57. *Requests* the Secretary-General to make specific proposals for making full use of the potential contribution of the United Nations System Staff College in the development of a common organizational culture and strengthening managerial skills and competencies;

Contractual arrangements

58. *Reaffirms* section III, paragraph 2, of its resolution 55/258, and reiterates its request to the Secretary-General to submit definitive and concrete proposals on new contractual arrangements, specifying the differences between existing and proposed types of appointments, for consideration by the General Assembly as soon as possible, and requests the Secretary-General, in the meantime, to continue current contractual arrangements in accordance with existing mandates;

III. Delegation of authority and accountability

1. *Requests* the Secretary-General, when implementing measures in regard to the delegation of authority to programme managers, strictly to comply with the principles and policies established in section IV of resolution 53/221 and section VII of resolution 55/258;

2. *Also requests* the Secretary-General to report on a biennial basis on the progress made in the implementation of the provisions contained in section VII of resolution 55/258 and section IV of resolution 53/221;

3. *Requests* the Secretary-General to report on the application of staff rule 104.14 (b) in the context of the comprehensive report on the implementation of human resources management reform;

4. *Requests* the Secretary-General to expeditiously finalize and issue new administrative instructions on the implementation of section VII, paragraph 8, of resolution 55/258;

IV. Monitoring capacity in the Office of Human Resources Management

1. *Endorses* the approach outlined by the Secretary-General to developing a more robust monitoring capacity in the Office of Human Resources Management;

2. *Takes note* of the intention of the Advisory Committee on Administrative and Budgetary Questions[8] to revert to this matter in the context of its review of the proposed programme budget for the biennium 2004-2005;

3. *Emphasizes* the importance of the monitoring of policies, guidelines and practices by the Office of Human Resources Management, and requests the Secretary-General to ensure that the proper screening process for recruitment, identifying the best qualified candidates, is conducted by the Office of Human Resources Management, in accordance with section IV, paragraph 7, of resolution 55/258, to continue to develop a comprehensive monitoring system and to report thereon to the General Assembly at its fifty-ninth session;

[8] See A/57/469, para. 15.

V. Consultants and individual contractors

1. *Takes note* of the report of the Secretary-General;[9]

2. *Reaffirms* that consultants shall not perform functions of staff members of the Organization or have any representative or supervisory responsibility;

3. *Reiterates* that the Secretary-General should refrain from using consultants to carry out functions assigned to established posts and that consultants should be hired only in strict accordance with existing rules and relevant General Assembly resolutions and where expertise is not available within the Organization;

4. *Also reiterates* that in areas where consultants are frequently hired for a period of more than one year the Secretary-General should submit proposals, where necessary, for the establishment of posts and should report thereon to the General Assembly at its fifty-ninth session;

5. *Reaffirms* the guidelines, principles and comments contained in section VII, paragraph 11, of its resolution 53/221;

6. *Takes note* of the recommendation contained in paragraph 5 of the report of the Advisory Committee on Administrative and Budgetary Questions;[6]

7. *Endorses* the recommendation made by the Committee for Programme and Coordination at its forty-second session that the Secretary-General should make greater efforts to ensure geographical balance among qualified consultants and individual contractors;[10]

8. *Requests* the Secretary-General to report biennially, starting at the fifty-ninth session, on the use of consultants and individual contractors within the Secretariat and the regional commissions and the factors contributing to that, with statistics for each year of the two-year period, including information on their duties;

VI. Employment of retired former staff

1. *Endorses* the conclusions and recommendations on the employment of retirees contained in paragraphs 10, 11, 13 and 14 of the report of the Advisory Committee on Administrative and Budgetary Questions;[6]

2. *Requests* the Secretary-General to have recourse to the employment of retirees only if the operational requirements of the Organization cannot be met by existing staff;

3. *Also requests* the Secretary-General to ensure that the employment of retired former staff has no adverse effects on the career planning and mobility of other United Nations staff members;

4. *Stresses* that the hiring of former retired staff should be on an exceptional basis, and in this regard encourages the Secretary-General to fill vacant posts at senior and decision-making levels through the established staff selection process;

5. *Requests* the Secretary-General to report to the General Assembly at its fifty-ninth session on the employment of retired former staff, including the criteria

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[9] See A/57/310.

[10] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 16* (A/57/16), para. 45.

for selection of staff in the Professional categories, the number of staff hired for periods exceeding two years and the number of retired staff serving in posts that affect the decision-making process, in particular in the areas of recruitment and promotion within the Secretariat and in the field, as well as instances in which representative responsibilities before intergovernmental bodies are assigned to retired staff;

6. *Requests* the Secretary-General to include in the report referred to in paragraph 5 above information on envisaged economy and efficiency gains in the context of language posts;

7. *Discourages* the Secretary-General from using retired staff to present reports to any intergovernmental body;

VII. Mandatory age of separation

1. *Takes note* of the report of the Advisory Committee on Administrative and Budgetary Questions,[11] and decides that, in order to prioritize the rejuvenation of the Secretariat, no further changes are required to the rule of the mandatory age of separation established at 60 years;

2. *Reaffirms* that retention in service beyond the mandatory age of separation shall be pursuant to the exceptions provided for in staff regulation 9.5, and requests the Secretary-General to report on the exceptions made and their circumstances on a biennial basis;

VIII. Placement of staff members serving in the Executive Office of the Secretary-General

Approves, in view of the special circumstances, the proposal contained in the report of the Secretary-General,[12] while emphasizing that the process must be transparent and in accordance with the Staff Regulations and Rules of the United Nations, and requests the Secretary-General to report on the implementation of this procedure to the General Assembly as appropriate;

IX. Composition of the Secretariat

1. *Notes* the study conducted by the Secretariat as requested in section X, paragraph 4, of resolution 55/258, and decides to revert to this subject at its fifty-ninth session;

2. *Requests* the Secretary-General, as approved by its resolution 42/220 of 21 December 1987, to fully reach the level of posts subject to geographical distribution, which currently stands at 2,700, and to conduct a study which includes a comprehensive assessment of the system of geographical distribution and an assessment of the issues relating to possible changes in the number of posts subject to the system of geographical distribution, bearing in mind Article 101 of the Charter and the efficiency and effectiveness of the Organization;

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[11] A/56/846.

[12] See A/56/816.

3. *Reiterates its request* to the Secretary-General, contained in section IV, paragraph 8, of resolution 55/258, to develop a programme and set specific targets as soon as possible for achieving equitable geographical representation for all unrepresented and underrepresented Member States, bearing in mind the need to increase the number of staff recruited from Member States below the mid-point of their desirable ranges;

4. *Notes with concern* the possibility of an increase in the number of unrepresented and underrepresented Member States within the Secretariat, according to the statistics provided by the Secretariat on the number of retirees for the period from 2003 to 2007;

5. *Requests* the Secretary-General to make efforts to avoid the increase of the number of underrepresented Member States, by paying due attention to equitable geographical distribution in the recruitment and selection process, bearing in mind the large number of retirees projected;

6. *Reaffirms its request* to the Secretary-General not to decrease the proportion of entry-level posts at the P-1 to P-3 levels for budgetary purposes;

7. *Requests* the Secretary-General to include, for informational purposes, in the future report on the composition of the Secretariat statistics on the composition of the General Service and related staff, national staff and project personnel, including, inter alia, nationality, gender and level;

X. Staff-management consultations

Reiterates its request, contained in section XI, paragraph 4, of resolution 53/221, that the Secretary-General take into account the views of staff representatives, in accordance with article VIII of the Staff Regulations and Rules of the United Nations and its resolution 35/213 of 17 December 1980;

XI. Amendments to Staff Rules

Takes note of the reports of the Secretary-General.[13]

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[13] A/56/227 and A/57/126.

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Agenda item 126
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Report of the Advisory Committee on Administrative and Budgetary Questions

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I. Introduction

1. During its meetings held from 4 February to 28 March 2003, the Advisory Committee on Administrative and Budgetary Questions considered the financial performance reports for the period from 1 July 2001 to 30 June 2002 and the proposed budgets for the period from 1 July 2003 to 30 June 2004 of the peacekeeping operations listed below. The Committee's reports concerning the specific peacekeeping operations are presented as addenda to the present report:

(a) United Nations Observer Mission in Georgia (UNOMIG) (A/57/772/Add.1);

(b) United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/57/772/Add.2);

(c) United Nations Mission in Sierra Leone (UNAMSIL) (A/57/772/Add.3);

(d) United Nations Peacekeeping Force in Cyprus (UNFICYP) (A/57/772/Add.4);

(e) United Nations Interim Administration Mission in Kosovo (UNMIK) (A/57/772/Add.5);

(f) United Nations Interim Force in Lebanon (UNIFIL) (A/57/772/Add.6);

(g) United Nations Disengagement Observer Force (UNDOF) (A/57/772/Add.7);

(h) United Nations Mission in Ethiopia and Eritrea (UNMEE) (A/57/772/Add.8);

(i) United Nations Logistics Base at Brindisi, Italy and strategic deployment stocks (A/57/772/Add.9);

(j) United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) (A/57/772/Add.10);[1]

(k) United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET) (A/57/772/Add.11).

2. The Advisory Committee considered the overview report of the Secretary-General on the financing of the United Nations peacekeeping operations, covering performance for the period from 1 July 2001 to 30 June 2002 and budget for the period from 1 July 2003 to 30 June 2004 (A/57/723). That report is being submitted for the first time and contains some of the material previously included in the annexes to the general report of the Committee on peacekeeping operations. Accordingly, the annexes which used to contain that information have not been included in the present general report. Further comments of the Committee on the Secretary-General's overview report are set out in paragraph 42 below.

3. The Committee also considered the reports of the Secretary-General on the following:

[1] Includes the Committee's observations on the Secretary-General's progress report on the status of the airfield services contract (A/57/756).

(a) Financial performance for the period from 1 July 2001 to 30 June 2002 of the United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the liaison offices in Belgrade and Zagreb and the United Nations Mission of Observers in Prevlaka (UNMOP) (A/57/684); the related report of the Committee is contained in document A/57/773;

(b) Financial performance for the period from 1 July 2001 to 30 June 2002 (A/57/725) and proposed budget for the period from 1 July 2003 to 30 June 2004 of the support account for peacekeeping operations (A/57/732).

4. The comments, observations and recommendations of the Committee in the paragraphs below also take into account its consideration of the reports of the Secretary-General on the following:

(a) Death and disability benefits (A/C.5/56/41 and A/C.5/57/37) (see paras. 137 and 138 below);

(b) Write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43) (see paras. 60-76 below);

(c) Processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping missions (A/C.5/56/44) (see paras. 60-76 below);

(d) Reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/939) (see paras. 60-76 below);

(e) Practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397) (see paras. 60-76 below);

(f) Experience with resident investigators in peacekeeping operations (A/57/494) (see paras. 86-95 below);

(g) Feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) (see paras. 20-28 below).

5. The proposals of the Secretary-General on financial updates, financial performance reports and disposition of assets with regard to a number of closed or closing missions were not finalized in time for the Committee to consider them at its winter meetings in 2003. The Committee is taking up those reports early in May 2003.

6. The Committee had a preliminary discussion on the United Nations Iraq-Kuwait Observation Mission (UNIKOM). Owing to the circumstances prevailing in the region, the Committee will not issue a report on UNIKOM at the present time. It will revert to the matter when the situation has been clarified. The representatives of the Secretary-General informed the Committee that they would provide an update in May 2003. It is the intention of the Committee, before the end of May 2003, to issue its report on the Secretary-General's performance report for UNIKOM together with recommendations on how to deal with requirements for the period after 1 July 2003.

II. Report of the Board of Auditors

7. The Advisory Committee has considered, in accordance with financial regulation 12.11, the report of the Board of Auditors to the General Assembly on the accounts of the United Nations peacekeeping operations for the financial period

ended 30 June 2002 (A/57/5, vol. II, chap. II)[2]. The audit coverage also included two missions funded from the regular budget, one "political affairs mission" and the United Nations Logistics Base. Annex I to the report contains the list of audited missions. **The Committee commends the Board for the quality of its report and its streamlined format.**

8. The Committee also had before it a report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the period ending 30 June 2002 (A/57/416/Add.2). During its consideration of these matters, the Committee met with the members of the Audit Operations Committee of the Board of Auditors. In paragraphs 9 to 18 below, the Committee comments on a number of general issues relating to the reports of the Board. The observations and recommendations of the Committee on specific questions raised by the Board are set out where relevant in the paragraphs of section III below which cover the reports of the Secretary-General on peacekeeping operations.

9. The Committee notes that, in a number of instances, the Board of Auditors expanded upon matters previously raised by the Committee in its reports on peacekeeping operations. The Board indicates in its report (A/57/5, vol. II, chap. II, para. 9) that it has reviewed the action taken by the Administration to implement its recommendations for the period ended 30 June 2000 and confirms that, in general, there are no significant outstanding matters. Details of the action taken by the Administration on the recommendations of the Board for the period ended 30 June 2001 and the comments of the Board are contained in annex II to the report of the Board.

10. The Committee exchanged views with the members of the Audit Operations Committee on how best to report on follow-up action to implement previous recommendations of the Board of Auditors. In its previous report (A/56/887, para. 11), the Committee recommended that in reporting on follow-up action the Board should focus on changes and results achieved in eliminating the shortcomings it had identified, rather than merely stating whether a particular recommendation of the Board had been implemented. The Committee had also requested (A/56/436, para. 12) that the Board concentrate, in its reports on the implementation of its recommendations, on indicating the extent to which such recommendations had been implemented and on their impact. The Committee further commented that the attainment of this manner of reporting would be facilitated considerably by the extent to which the recommendations of the Board were clear, specific and capable of being monitored in the implementation process with a view to measuring results (A/56/887, para. 11).

11. **The Committee is of the opinion that, to achieve this end, the information in annex II to the report of the Board of Auditors should be incorporated into the main body of the report in conjunction with the relevant subjects covered in the audit. If the subject is not covered in the current reports, the Board can always make reference to the implementation of its recommendations in the introduction to its reports. Incorporation of information on follow-up into the main body of the report would obviate the need for annex II, which could be replaced by a short summary table at the beginning of the report. The table**

[2] See *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5* and corrigendum (A/57/5 and Corr.5).

would, in caption form, list the recommendations of the Board with an indication of the paragraphs in the body of the report where information on follow-up action is provided. The Committee exchanged views with the Audit Operations Committee on how this could be accomplished, bearing in mind that the Board has the authority to decide on the content and format of its audit reports; the proposals of the Committee are intended to facilitate, further streamline, and make the report of the Board more user-friendly.

12. In view of the wide scope of the Board's mandate under financial regulation 12.5, including its role with regard to the administration and management of the Organization, the Committee is of the opinion that, in future audit reports, the Board should continue and place greater emphasis on efforts to determine whether the resources of the audited administrations are being used efficiently and effectively.

13. The Committee exchanged views with the members of the Audit Operations Committee on the workload of the auditors and was informed that for the period from July 2000 to June 2002 approximately 2,000 auditor-weeks were used, and that the Board issued 205 management letters, 28 audit reports and 3 special reports. For 2003, 150 audit missions were planned and the Board expects to increase the audit manpower and the number of management letters by over 10 per cent, despite limited resources, to ensure adequate coverage for the period from July 2002 to June 2004. In this connection the Committee recalls its intention to examine, in the context of its consideration of the proposed programme budget for the biennium 2004-2005, the adequacy of the audit fee, as it affects the scope of coverage and the quality of the audits (A/57/439, para. 13).

14. The Committee was informed that approximately 60 per cent of the audit activity of the Board of Auditors would be carried out in the field offices and peacekeeping missions. **The Committee is of the opinion that the field work of the Board would be considerably facilitated if the Secretariat and the Office of Internal Oversight Services were to ensure that the internal audit function and the resident audit capacity in peacekeeping missions were operating effectively and efficiently. The Committee was informed that the resident audit capacity in peacekeeping operations performed more work on management issues and less on the financial audit. The Committee does not consider this to be a drawback since the financial audit by the Board could be enhanced by an effective management audit by internal auditors.**

15. The Committee welcomes the close coordination and collaboration among the three members of the Board and their audit teams in implementing audit plans and joint audit activities. The Committee trusts that such coordination and collaboration will continue to optimize the use of audit resources.

Financial issues

16. The report of the Board of Auditors deals with financial issues (A/57/5, vol. II, chap. II, paras. 13-46). **The Committee welcomes the fact that the cash position of the active missions has improved and hence the ability of the United Nations peacekeeping operations to meet their obligations has improved significantly as compared with previous financial periods (ibid., para. 14).**

Peacekeeping Reserve Fund

17. With regard to the Peacekeeping Reserve Fund (paras. 18-21 of the Board's report), the Committee notes that as at 30 June 2002 the level of the Fund was $47.4 million higher than the approved level of $150.0 million, because of accrued interest income.

Inactive trust funds

18. Under the question of inactive trust funds (see paras. 25-28 of the Board's report), it is reported that the two major trust funds, the Trust Fund to Support the Multinational Force Deployed in East Timor and the Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities, had balances of $77.4 million and $40.7 million, respectively, as at 30 June 2002. No further expenditures are expected from those funds under their current mandates. As indicated in the Board's report (para. 27), the Administration intends to appoint a staff member to pursue, on a full-time basis, the closure of inactive trust funds. **The Committee expects that this staff member will be financed from income generated by programme support costs charged to trust funds. The Committee also requests that the Administration establish effective interaction with donor Member States for the disposition of inactive trust fund assets. In this regard the General Assembly may wish to request the Member States concerned to respond promptly to the Secretariat on this matter. The Secretary-General is requested to complete the task of closing inactive trust funds within a reasonable time.**

III. Reports of the Secretary-General on the financing of peacekeeping operations

19. In examining the reports of the Secretary-General, the Advisory Committee has paid particular attention to issues of budget preparation, budget implementation, monitoring and control. In the context of the present presentation, the Committee has also paid attention to adequate explanation of budget performance changes and proposed budget estimates. The comments of the Committee on general issues applicable to most peacekeeping operations can be found, where relevant, in the discussion on individual objects of expenditure and management issues in the paragraphs below. As indicated in paragraph 8 above, the Committee has also taken into account the Board's findings and recommendations on these matters.

Feasibility of consolidating accounts of the various peacekeeping operations

20. The report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations (A/57/746) was submitted pursuant to paragraph 10 of General Assembly resolution 56/293.

21. While pointing out that the consolidation of the accounts of various peacekeeping operations is not compatible with the current financial practice (A/57/746, para. 4), the report contains an analysis of a range of issues that would need to be taken into account before any consolidation could be implemented.

22. The consolidation of the accounts of peacekeeping operations would entail the following:

(a) A single resolution of the General Assembly on the financing of peacekeeping operations, including the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi, each operation constituting a section, as is the case for the regular budget;

(b) Assessments would be de-linked from the continuation of Security Council mandates and there would be only one peacekeeping assessment on Member States at the beginning of the fiscal period covering all peacekeeping operations.

23. As indicated in the report of the Secretary-General, the options before the General Assembly, briefly stated, are as follows:

(a) To consolidate all accounts retroactively;

(b) To consolidate all accounts prospectively;

(c) To consolidate the accounts of active peacekeeping operations only, and to do so prospectively.

24. The Committee points out that any of those actions would require revision of the Financial Regulations and Rules of the United Nations. In addition:

(a) If all accounts were consolidated retroactively, the General Assembly would have to consider the impact of the consolidation on the application of Article 19 of the Charter of the United Nations in this context, as well as in the case of Member States specified in decision 49/470 of 23 December 1994;

(b) If the accounts of active peacekeeping missions only were consolidated, prospectively, the General Assembly would need to consider transitional measures to provide the missions with sufficient cash to cover their operating expenses from the date of consolidation until the receipt of new assessment; it would also be necessary to prioritize the settlement of liabilities, since cash resources might not be available to meet liabilities related to the periods prior to consolidation.

25. The Committee notes the phased approach outlined in the Secretary-General's report (A/57/746, paras. 13-20) whereby, as a first step, the accounts of the active peacekeeping missions could be consolidated retroactively, separate accounts being maintained for closed missions. According to the Secretary-General, this approach would ensure that, going forward, Member States and the peacekeeping operations would benefit from more efficient and flexible procedures for the financing of peacekeeping operations while avoiding issues pertaining to closed missions.

26. According to the Secretary-General, this approach would streamline the budget approval process for the United Nations and reduce the number of legislative decisions required as well as the number of assessments; it would also facilitate planning for Member States. The Committee was informed, upon enquiry, that the most beneficial impact of the streamlined budgetary processes would be on the workload of the Contributions Service of the Department of Management.

27. **As acknowledged by the Secretary-General, the approach outlined in his report is not compatible with current financial procedures required under the Financial Regulations and Rules of the United Nations (see para. 21 above). In particular, the Committee points out that the de-linking of assessments from Security Council action on individual mandates (see para. 22 (b) above) may create complications for some Member States which, in accordance with their**

domestic legal requirements, require such Security Council action before they can pay assessments.

28. **In view of the policy considerations involved it would be for the General Assembly to provide further guidance in this matter.**

Financial performance for 2001/02

29. A summary of the financial performance of peacekeeping missions for the period ending 30 June 2002 is given in the Secretary-General's overview report (A/57/723, table 3). Expenditures amounted to $2,548.5 million against appropriations of $2,773.3 million gross, leaving an unencumbered balance of $224.8 million, or 8.1 per cent of the appropriations. The figures include expenditure of $9 million against a provision of $9 million for the United Nations Logistics Base at Brindisi and an expenditure of $84.3 million against a provision of $89.7 million for the support account for peacekeeping operations. For the preceding period, from 1 July 2000 to 30 June 2001, expenditures amounted to $2,307.9 million against an appropriation of $2,566 million, resulting in an unencumbered balance of $258.1 million, or 10.1 per cent of the appropriation (see A/56/887, para. 12).

30. In the various reports of the Secretary-General and the related reports of the Advisory Committee, reasons have been given for the unencumbered balances. For the period 2001/02, as in the previous period, the high level of unencumbered balances reflects significant implementation difficulties. **The Committee has taken these unencumbered balances into account when making its recommendations on budget requirements for the period 2003/04.**

31. Total unliquidated obligations for the period from 1 July 2001 to 30 June 2002 as at 31 December 2002 amounted to $309.1 million, comprising $212.2 million under Governments and $96.9 million under other. As at 28 February 2003 unliquidated obligations amounted to $221 million. Information provided to the Committee on savings or cancellation of prior period obligations for the period ended 30 June 2002 indicates a total of $81.7 million.

32. **The Committee has noted in a number of missions that large amounts of resources are regularly retained to meet obligations to vendors, staff and others. Such retentions do not appear to have been determined after a vigorous verification exercise. The Committee considers that the large amounts of unliquidated obligations, as well as savings regularly realized on prior period obligations, indicate a laxity in obligating funds and illustrate weaknesses in budget implementation and monitoring. The Committee requests that efforts be made to address these problems.**

Flexibility

33. The Committee recalls its comments about the flexibility granted the Secretary-General in administering appropriations for peacekeeping operations and the intention of the Committee to monitor the use of that flexibility (see A/54/841, para. 16, and A/56/887, paras. 18 and 19).

34. The Committee again noted numerous budget variances (savings or overexpenditures), particularly for items in operational activities, with only a generic explanation given in the documents or in the additional information

provided to the Committee. For example in 2001/02, under facilities and infrastructure, the stated overexpenditure of approximately $4.3 million in MONUC is in fact the net result of overexpenditures of approximately $12 million, partially offset by underexpenditures; in UNMIK, a net underexpenditure of $912,300 under facilities and infrastructure includes several large cost overruns. Little or no explanation is given for these significant variances.

35. **The Committee recommends that in the future overruns or savings be fully explained in the additional information given to it, with specific information on the circumstances which led to the savings or overruns in a particular object of expenditure.**

Delegation of financial authority

36. The Committee was informed that the Controller now allots the full mission budgets to the chief administrative officers, broken into three categories, namely, military, civilian and operational expenditures. Transfer of funds between the categories requires the prior approval of the Controller. The Committee was also informed that a new electronic funds monitoring tool had been developed to aid the chief administrative officers and Headquarters to closely track expenditure. However, the Committee was informed that the system had only recently been deployed in all the missions. **The Committee trusts that, when the delegation of authority in budget implementation to the chief administrative officers has been effected and monitoring tools are in place at Headquarters and in the field, questions raised by the Committee concerning the analysis of budget implementation will be answered promptly.**

Results-based budgeting, objective-setting and presentation

37. The Committee exchanged views with representatives of the Secretary-General, both from Headquarters and the field, regarding the results-based budgeting format used in the preparation of the proposed budgets for 2003/04 and the performance reports for 2001/02 of the peacekeeping missions, in accordance with General Assembly resolution 55/220 C. In its consideration of the matter, the Committee also had before the comments of the Board of Auditors (A/57/5, vol. II, chap. II, paras. 70-80), and the overview report of the Secretary-General (A/57/723). In addition, the Committee recalls its own comments on the format and presentation of the proposed budget for the support account for peacekeeping operations for 2002/03, which was submitted using the results-based budgeting format (A/56/941, paras. 7-15).

38. The format for the proposed budgets for the period from 1 July 2003 to 30 June 2004 comprises five sections: mandate and planned results, resource requirements, analysis of variances, actions to be taken by the General Assembly and summary of follow-up actions to implement the recommendations of the Advisory Committee, the Board of Auditors and the Office of Internal Oversight Services. The section on mandate and planned results, in most cases,[3] includes four components — political, military, civilian police and support — linking the overall objective, taken from the relevant Security Council resolution, to planned results.

[3] No political component has been included in the cases of UNDOF, UNIFIL and UNIKOM.

Each component contains a set of expected accomplishments, indicators of achievement for expected accomplishments and planned outputs.

39. The performance reports for the period from 1 July 2001 to 30 June 2002 follow a similar format; however, as noted in the overview report of the Secretary-General (A/57/723, para. 5), the budgets for the period did not include standard frameworks for objective-setting, which would have provided a baseline against which performance could be measured and reported. Therefore a transitional format, showing actual accomplishments and outputs against generic indicators and output types, is utilized.

40. **The Committee welcomes the initial efforts made to streamline the presentation. The Committee also commends the Secretariat for the timeliness with which it submitted the reports and the supplementary information to the Committee. The Committee makes suggestions for further improvements in the paragraphs below.**

41. The Committee notes, as indicated in the report of the Board of Auditors (A/57/5, vol. II, chap. II, para. 76) that senior management and key personnel of missions have taken a leading role in setting objectives and compiling proposed budgets. The Committee had stressed the importance of this (A/56/887, para. 26). **The results-based budgeting exercise still appears to the Committee to be primarily Headquarters-driven, however. While the system remains relatively new, systematic training and coaching should be continued and more focused to ensure a coherent and comprehensive understanding and commitment to results-based budgeting in all the missions.**

42. The Committee welcomes the provision, as part of the new format, of an overview report of the Secretary-General (A/57/723), which follows up on some of the issues raised by the Committee in its general reports. **In the view of the Committee, the report should in the future be more comprehensive and should include such cross-cutting issues as air operations, procurement and inventory management, so as to address the numerous problems identified in the reports of the Board of Auditors, the Committee and others. The subjects covered in the overview could change from year to year, depending on the currency of such topics.**

43. **The Committee recommends that, in future, for each mission, the Secretariat should combine the performance report on the most recently completed period and the proposed budget in a single document. The Committee has further streamlined its current reports on peacekeeping financing by combining comments on performance with comments and recommendations on the proposed estimates.**

44. The intention of the Secretary-General, as stated to the Committee in the presentation made by his representatives, is that the new budget format will improve decision-making and permit the General Assembly to focus on policy issues rather than details. **That being the case, the Committee requests that the Secretary-General clearly indicate those policy issues which require the attention of the General Assembly.**

45. **The Committee notes that, in the effort to streamline the document, the introductory paragraphs, which in previous reports had provided a brief background and overview, and reference to the mandate implementation plan,**

if applicable, have been eliminated. It is the opinion of the Committee that those paragraphs were useful, aiding the reader in navigating the text that followed. The Committee requests that in future reports such introductory information be reinstated.

46. With regard to mandates and objective-setting, the Committee notes that, in the presentation of budgets for the period 2003/04, rather than dealing with the narrower question of setting management objectives, the approach has been broadened, the mandates of the Security Council forming the basis for the objectives. The Security Council establishes peacekeeping mandates and, on the basis of proposals of the Secretary-General in his budget documents, the General Assembly authorizes resources to implement those mandates. **Accordingly, any attempt to define mandate objectives in budget documents must be in strict compliance with the mandates established by the Security Council.**

47. **In the opinion of the Committee, with the exception of the support component, the number of expected accomplishments, indicators of achievement and planned outputs in the proposed budgets, in general, is high and should be reduced in order to facilitate monitoring and reporting (see paras. 49-51 below).**

48. The Committee recalls its earlier observations (A/56/887, paras. 25 and 26). **Bearing in mind that each mission is different, it is the opinion of the Committee, that the attempt to a have a uniform framework for all missions comprising three or four components (political,[3] military, civilian police and support) has led to anomalies in some missions where activities for internally displaced persons, public information programmes, mine clearance, human rights programmes and quick-impact projects have all been grouped together under the political component. In the view of the Committee, it might be appropriate for some missions, depending on their mandate, to have additional components. The Committee requests that, in the next submission, the Secretary-General explain the rationale for the components that have been used to prepare the budgets. Furthermore, the mandate implementation plan should constitute the framework for budget preparation and performance reporting. The contents of the introductory paragraphs in section I, which deal with mandate performance in the performance report and with mandate and planned results in the proposed budget, should be drafted so as to establish a clear link between the results-based framework and the existing mandate plan (see also para. 46 above).**

49. **The Committee emphasizes the importance of drafting the expected accomplishments, indicators of achievement and planned outputs under each of the components in such a way as to ensure that they are, in fact, relevant and realistic.** For example, it is not reasonable to expect that the United Nations can ensure compliance with an agreement between parties, which has been set as an expected accomplishment under the military component for a number of missions. A more credible expectation would be for the United Nations to monitor and encourage compliance and to alert the international community to non-compliance. The Committee recalls that in its report of 9 May 2002 on the support account for peacekeeping operations it stressed that budget presentation should be realistic, and define objectives and expected accomplishments, which must be attainable in the context of the services required of the peacekeeping operation concerned (A/56/941,

para. 11). The Committee finds the use of the past tense to describe planned outputs perplexing.

50. **The Committee is of the opinion that the support component, which deals with operational costs, should include plans to increase efficiency and productivity by improving support services. It is not very useful for the purposes of budget review and follow-up to be informed, for example, that vehicles will be maintained. Given the expected accomplishment of "increased efficiency and effectiveness in supporting the mission", which was chosen in all of the proposed budgets, the Committee would have expected to be informed about proposed measures to improve the use, management and control of vehicles in the mission and whether there are replacement plans, the implementation of which the Committee could follow up on during the next review of the performance report or budget estimates.**

51. **The Committee shares the concerns of the Board of Auditors (see A/57/5, vol. II, chap. II, para. 78) that not all missions have established well-developed tools to measure, monitor and evaluate actual performance against the objectives set out in the proposed results-based programme budgets.** Upon enquiry, the Committee was informed that the Department of Peacekeeping Operations was in the process of designing a questionnaire to capture and collect data regarding the experience of missions in the implementation of results-based budgeting. A workshop was to be held in July 2003, and the expectation was that a summary of the responses to the questionnaire would be made available to the missions at that time. The Committee observes that, given the current budget cycle for peacekeeping operations, which begins on 1 July, the timing of the workshop and the provision of a summary of feedback data at that time could present problems and lead to the submission of yet another set of transitional performance reports.

52. The resource requirements in section II of the budget proposals follow three broad classifications, namely: military and police personnel, civilian personnel, and operational costs. The requests for resources have not been linked to outputs and accomplishments, however. As the Committee has stated in the past with regard to results-based budgeting for the regular budget, such a linkage is an essential element of the results-based budgeting concept.[4] The Committee also recalls its statement that "attempts should be made to link objectives with resources and to demonstrate how resources provided for administration, management, security and other areas contributed to achieving the administrative and managerial objectives of the missions" (A/56/887/Add.1, para. 26). **The Committee expects marked improvement in this regard in the next round of budget submissions.**

53. **The Committee requests that future financial resource tables include subtotals for each of the three classifications mentioned in the previous paragraph.**

54. **The Committee found the supplementary information initially provided to it to be seriously lacking in many respects. Although the Committee eventually received most of the information it requested, it is pursuing the matter with the Secretariat so as to ensure that it is provided with the level of information foreseen in the streamlined approach.**

[4] See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 7* (A/56/7), para. 12.

55. **In order to avoid duplication of reporting, the information on follow-up actions taken to implement recommendations of the Advisory Committee, the Board of Auditors and the Office of Internal Oversight Services contained in section V of the proposed budgets should be incorporated into the narratives of the main document. A summary table should precede the budget, either as part of the introduction or immediately following it, to replace the one now found at the end of the document. It would differ from the table currently provided in that it would not reproduce the texts of recommendations; rather, it would refer to those recommendations in caption form and indicate the relevant paragraphs in the body of the report where action taken to implement the recommendations is discussed.**

56. **The Committee points out that, in the budget submissions for 2003/04, information on standard and mission-specific costs is missing. The Committee did not receive the Standard Cost Manual. The Committee was informed that, since the Manual had not been revised regularly to take into account past experience, its value had diminished. The Committee was further informed that in some missions, such as UNMIK, the estimates were prepared on the basis of average costs for the mission as the information in the Manual was no longer applicable and would have led to overestimates; in other missions, however, the Committee was informed that the use of standard costs would have led to insufficient funds being budgeted for the period 2003/04. The Secretariat informed the Committee that the Manual was being revised and updated to improve its usefulness.**

Budget proposals for 2003/04

57. As shown in the Secretary-General's overview report (A/57/723, table 7), the total estimated budgetary requirements for the period 2003/04, as proposed by the Secretary-General in the reports for each peacekeeping operation submitted to the Committee, amount to $2,181.8 million, as compared with appropriations of $2,606.5 million for the period 2002/03 or 16.3 per cent lower than the amount appropriated in the prior period. The figures include the provision of $23.3 million for 2003/04 for the United Nations Logistics Base at Brindisi, as compared with $14.3 million for 2002/03 and the provision of $115.9 million for 2003/04 for the support account, as compared with $100.9 million for 2002/03. A breakdown of the proposed budgets for 2003/04 by peacekeeping operation and major category of expenditure is shown in the note by the Secretary-General (A/C.5/57/34/Rev.1, annex).

Military and police personnel

58. The Committee notes that the estimates for military and police personnel for the period 2003/04 amount to $892.6 million (see A/C.5/57/34/Rev.1, annex). The Committee notes that there has been a redistribution of the costs for military and police personnel between objects in the current presentation as compared with previous budgets. This redistribution has made it difficult to compare trends in objects of expenditure.

59. The Committee noted that UNMIBH was able to obtain civilian police more readily than hitherto and that the actual vacancy rate was lower than that used in the budget estimates. The Committee was informed that there had been greater support

from police-contributing countries; agreement had also been obtained to train police personnel before deploying them to the mission area, thus reducing previous instances of police being disqualified upon arrival for mission duty. **The Committee recommends that the lessons learned from this experience should be disseminated to other missions with a similar police component in their mandates.**

Management of contingent-owned equipment arrangements

60. The observations and recommendations of the Committee set out below, on matters relating to contingent-owned equipment and memoranda of understanding with troop-contributing countries, take into account the observations of the Board of Auditors (A/57/5, vol. II, chap. II, paras. 47-67). The Committee also considered the reports of the Secretary-General on the write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43), the processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping missions (A/C.5/56/44), the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/939) and the practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397). The reports were prepared pursuant to requests in General Assembly resolutions 56/241, 55/238, 55/271 and 55/274, respectively. **The Committee requests that in the future the issues relating to contingent-owned equipment and memoranda of understanding be dealt with in the overview report.**

61. The Committee notes that contingent-owned equipment issues have once again been reviewed by the Board of Auditors, in all aspects as it had previously recommended. The new arrangements have simplified considerably the method for determining amounts to be reimbursed and the procedure for processing claims. The Committee however reiterates its view (see A/56/887, para. 34) that there are serious flaws in the management of the new arrangements. In its current report the Board continues to highlight persistent intractable problems in the conduct of inspections and the transmittal and processing of verification reports in compliance with the requirements of the Contingent-owned Equipment Manual (A/57/5, vol. II, chap. II, paras. 58-61; see also paras. 70-72 below). Although pre-deployment inspection is not mandatory, it is an important proactive verification control mechanism whose value cannot be underestimated. As indicated in the Board's report (para. 55), there is however no consistency in pre-deployment inspection.

62. Regarding staff and expertise capacity, the Board and the Committee have strongly urged the Secretariat to take action to ensure that the United Nations has the capacity in the field to manage the contingent-owned equipment system (see A/56/5, vol. II, chap. II, para. 79;[5] A/57/5, vol. II, chap. II, paras. 64-65; and A/56/887, para. 36). As indicated in the Board's current report (para. 66), the Department of Peacekeeping Operations is still seized of the matter. **Bearing in mind the importance of the subject, farther progress needs to be made by the Administration on this matter.**

63. **In view of the Board's findings, the Committee stresses the importance of further review by the Board of such issues as memoranda of understanding,**

[5] See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 5.*

pre-deployment inspections, arrival inspections, and verification reports and personnel resources.

64. With regard to memoranda of understanding, the Committee notes that, as at 30 April 2002, a total of 214 had been signed, of which only 8, or 4 per cent, had been signed before deployment (A/56/939, para. 14). In its report (paras. 51 and 52), the Board of Auditors indicated that, as at 31 August 2002, a total of 230 (93 per cent) out of 246 memoranda of understanding had been signed and 222 (96.5 per cent) of the 230 had been signed after the deployment of contingent-owned equipment and troops, and that on the average the memoranda were signed three months after deployment.

65. The Committee is aware that considerable administrative expenditures can arise from delays in the approval and signing of memoranda of understanding and status-of-forces agreements. The Committee has indicated that these are essential instruments for defining the rights and obligations of the missions in the operational area (A/56/887, para. 28). These instruments provide inter alia the legal framework that governs the relationships between the United Nations and troop-contributing countries in the provision of equipment, service and personnel. **The Committee notes that from the very inception these important instruments have been fraught with problems and delays, however. The Committee remains concerned that the United Nations is often forced to start mission operations without these instruments in place.**

66. **The Committee recognizes the need to streamline the process involved in the negotiation and approval of memoranda of understanding. In the view of the Committee, there are just too many steps in the handling of the memoranda (24 steps are shown in A/56/939, annex I). These should be reduced, with a view to signing the memoranda before deployment. The Secretariat should analyse the experience and make suggestions for possible changes for the next meeting of the Working Group on Reimbursement of Contingent-owned Equipment in February 2004.**

67. The reports of the Secretary-General on the reform of the procedure for determining reimbursement to Member States for contingent-owned equipment (A/56/939) and on the practical aspects of wet-lease, dry-lease and self-sustainment arrangements (A/57/397) address the need for streamlining the contingent-owned equipment procedures.

68. The Committee notes that, since the implementation of the new methodology for contingent-owned equipment, 298 contingent units have been deployed in 23 peacekeeping operations, of which almost all have been negotiated under the wet-lease arrangements (see A/57/397, summary). Under the wet-lease arrangements, the cost of major equipment is based on the standard rates, while the estimated cost of self-sustainment is determined by the standard rate multiplied by the troop strength deployed. In cases where troop-contributing countries are requested to deploy under dry-lease arrangements (fewer than 5 per cent), the Secretariat has negotiated with other troop-contributing countries to provide the maintenance.

69. In the report (A/57/397, para. 12), it is indicated that in many cases the equipment negotiated in memoranda of understanding with troop-contributing countries is not the same as what is actually deployed. The issues relating to changes in both quantity and type of major equipment are dealt with in that report (paras. 12-

16) and actions taken with regard to pre-deployment inspections are discussed in both reports (A/56/939, paras. 15 and 16, and A/57/397, paras. 26 and 27). **In this regard, the Committee recognizes the importance of pre-deployment inspections, which not only improve the content of the memoranda of understanding and reduce the possibility of variances in equipment and self-sustainment but also improve claims processing.** The Committee was informed that the pre-deployment inspections would become mandatory. The Committee notes that, in particular, a troop-contributing country participating in a peacekeeping operation for the first time under the contingent-owned equipment methodology and/or deploying a particular type of unit for the first time would be required to receive a visit from a pre-deployment team.

70. The reports deal with the matter of shortfalls in self-sustainment (A/56/939, paras. 23-25, and A/57/397, paras. 17-25) and address the issue of the capacity of troop-contributing countries to meet the requirements of contingent-owned equipment (A/56/939, paras. 17 and 18, and A/57/397, paras. 28 and 29). Two reports prepared by mission personnel in the mission area are considered critical in this regard. The first, the arrival and inspection report, permits the review of the actual quantity, quality and type of equipment deployed to the mission area against the signed or draft memorandum of understanding or, where applicable and if the latter is not available, against the pre-deployment inspection report; the second, the verification and/or operating readiness report, provides the mechanism by which the Secretariat ascertains the effectiveness of a troop contributor in meeting the operational requirements of a mission and satisfying the terms of the memorandum of understanding.

71. **The Committee welcomes the suggestions (see A/56/939, paras. 17 and 18, and A/57/397, paras. 28 and 29) on streamlining the production and processing of verification reports, including steps taken to implement electronic submission of reports. The Committee trusts that a reduction in the frequency of reporting requirements will not affect the completion and quality of the reports and consequent certification and payment of reimbursement for contingent-owned equipment claims.**

72. **The Committee recommends that the Secretariat set out the experience gained so far and make suggestions for any modification to the current reporting cycle to the Working Group on Reimbursement of Contingent-owned Equipment at its forthcoming meetings, scheduled for February 2004 (see A/57/397, paras. 11 and 25). If it is considered that monthly reporting is too laborious and potentially inefficient, alternative reporting cycles should be suggested subject to the necessity of ensuring that the services contracted for in the memoranda of understanding are provided to the United Nations in a timely manner and that prompt processing of claims and reimbursement to troop-contributing countries is not in any way compromised (see para. 76 below).**

73. The Committee notes that, taking into account the life cycle of claims processing and in view of the concerns raised by Member States with regard to timeliness of reimbursement for contingent-owned equipment, steps have been taken to streamline the process (A/56/939, paras. 27 and 28). The Committee notes that, for example, standard operating procedures have been drafted in the areas of claims policy, procedures and processing (A/57/397, para. 37). The Committee trusts that

these measures will contribute to improving the timeliness of certification of claims. With regard to the progress report on the processing of claims for equipment contributed and self-sustainment undertaken at peacekeeping operations (A/C.5/56/44), upon enquiry, the Committee was informed that the plan to process all claims for major equipment and self-sustainment with a turnaround period of three months from the date of receipt would be implemented in June 2003. **The Committee looks forward to the implementation of this plan. In addition, all efforts should continue to be made for early reimbursement of troop costs and amounts held under accounts payable, subject to availability of funds.**

74. The report on the write-off of contingent-owned equipment at liquidated missions (A/C.5/56/43) indicates progress achieved on the issue of finalizing the certification of write-off claims from some liquidated peacekeeping operations. Efforts were targeted at completing the processing by the end of 2002 (ibid., para. 9). The Committee notes that, whether the write-off case is a reimbursement or a recovery, the concurrence of the troop-contributing country is required prior to certification of the write-off amount (ibid., para. 6 (c)). As shown in annex I to the report, as at April 2002 the amount awaiting concurrence from troop-contributing countries was $16.4 million and the amount certified or in accounts payable was $7.3 million. The Committee was provided with updated information in the context of the presentation of the peacekeeping-related budgets for the period 2003/04. At 28 February 2003, amounts awaiting concurrence from troop contributors amounted to $6 million and amounts under certification or in accounts payable to $6.4 million.

75. The Committee notes that the complex, labour-intensive, time-consuming and costly process involved, described in the report (A/C.5/56/43, paras. 1-6) is mostly related to the old system for processing contingent-owned equipment and that this should disappear with the implementation of the new related procedures. **The Committee believes that those countries not yet in the new contingent-owned equipment arrangement should be encouraged to enter into it (see A/C.5/56/44, para. 5). The Committee understands that, if this were done, the write-off phenomenon would cease.**

76. **The Committee notes that most of the issues relating to the practical aspects of the contingent-owned equipment methodology would be recommended for inclusion in the agenda of the next session of the Working Group on Reimbursement of Contingent-owned Equipment, in February 2004. The Committee is of the opinion that, in view of the policy and management issues involved, the Secretariat should prepare a comprehensive paper, including appropriate input data, to facilitate and focus the work of the Working Group. The Committee further recommends that, on the basis of recommendations of the Working Group, the Secretariat prepare a comprehensive report on the issues that would require legislative action by the General Assembly.**

Civilian personnel matters

77. It is proposed to establish seven posts for deputy military commanders for the following missions: UNOMIG, UNMISET, UNIKOM, UNFICYP, UNIFIL, UNDOF and MINURSO (A/57/723, para. 19). **Notwithstanding the fact that similar posts currently exist in MONUC, UNAMSIL and UNMIK, the Committee was not**

convinced by the explanations put before it and does not, at this stage, recommend approval of these requests.

78. **With regard to the findings and observations of the Board of Auditors on human resources management (A/57/5, vol. II, chap. II, paras. 172-187), the Committee points out that, despite many statements of intention to improve recruitment and placement in the Department of Peacekeeping Operations and peacekeeping field missions, delays and deficiencies continue to plague recruitment and placement activities. The Committee recalls that the Office of Internal Oversight Services indicated (see A/57/224) that the average recruitment time frame for filling regular vacancies in the Department was 362 days and the recruitment time for filling new vacancies that were authorized on an emergency basis by the General Assembly in its resolution 55/238 was 264 days. The Committee points out that these figures should be compared with the targeted time frame of a maximum period of 120 days for filling vacancies indicated in the Secretary-General's report on human resources management reform. The Committee has commented further on the unacceptable continuing problem of delays in the recruitment of personnel in the Department of Peacekeeping Operations in its report on the budget for the support account for the period 2003/04 (see A/57/776, para. 28).**

79. The Committee was informed that, when the new staff selection system (Galaxy) is implemented, the targeted time frame for filling vacancies in peacekeeping operations will be reduced. The target is the reduction from 180 to 95 days in the time from the posting of the vacancy announcement to the recruitment and entry on duty of the selected candidate (A/57/723, para. 21). **In this regard, the Committee recommends that the General Assembly consider establishing a procedure whereby any post that becomes vacant or any new post that is approved and is not filled within 12 months after it becomes vacant or is approved shall be deemed to have lapsed.**

80. The Committee notes that the new designation "national staff" now includes both national professional officers and local staff (now referred to as general service national staff). **The Committee encourages greater use of national staff wherever feasible and cost-effective.** The Committee noted the practice of reassigning national staff from one mission to another. For example, in UNIFIL, 47 national staff were temporarily assigned to other missions. Upon request, the Committee was provided with details concerning the skills of those staff members. **The Committee does not object to this practice since it can, on a temporary basis, provide urgently needed skills at short notice, particularly in the start-up phase of new missions. It cautions, however, that this does not obviate the need for missions to recruit such staff on their own to replace borrowed staff as quickly as possible. The Committee will revert to this matter in the context of its examination of the report of the Secretary-General on the future of Field Service officers. The Committee recalls that it requested the Secretary-General to expedite the completion of the review of the Field Service category and to submit his comprehensive proposals in this regard to the General Assembly at its fifty-eighth session, as recommended by the Joint Inspection Unit (A/57/434, para. 4). The Committee intends to follow up on this matter in the context of its consideration of peacekeeping budgets in February 2004.**

81. The Committee notes that considerable underexpenditure for the period 2001/02 in the civilian personnel component of some missions resulted from recruitment of international staff at grades lower than those approved in the authorized staffing table of the missions (e.g., UNMIK). Upon enquiry, the Committee was informed that the staff members recruited at lower levels were performing to the satisfaction of the mission officials. **The Committee is of the view that when posts are consistently filled at lower levels in missions with limited duration, the level of the higher graded posts should be reviewed and reclassified accordingly.**

82. The Committee intends to follow up on the findings and recommendations of the Board of Auditors on assignment of staff and grading of posts in UNTSO and UNMOGIP (see A/57/5, vol. II, chap. II, paras. 178-187) in the context of its review of the proposed programme budget for the biennium 2004-2005. The Committee points out that the Board's recommendation (ibid., para. 183) should be read in conjunction with the Committee's recommendation (A/56/887, para. 42) that consideration should also be accorded to reviewing existing posts in order to consider their abolition, redeployment or downward reclassification.

83. Upon request for clarification concerning delegation of authority for recruitment, the Committee was informed that delegation of authority to initiate recruitment of substantive staff had been granted, on a pilot project basis, to two missions with a high volume of staff, namely, UNMISET and UNMIK. Pending review of the results of the pilot project, limited delegation of recruitment up to certain levels of staff would be considered on a mission-by-mission basis.

84. On the basis of its observation of visits to missions, the Committee has concluded that, even when posts are provided to missions, recruitment delays and departures lead to understaffing of mission units. **In general, the Committee is of the opinion that missions should have greater authority in the hiring and management of staff. Missions need to plan and manage more carefully the departure of staff, particularly heads of services, including the preparation of handing-over notes. It is poor management to allow staff in critical services to leave missions before ascertaining whether they can be replaced promptly. There should be more collaboration among missions and between the missions and Headquarters on this important issue, as well as on the important issue of staff mobility between Headquarters and missions.**

85. With respect to post reductions in missions being downsized, the Committee noted that the description of staff changes in the budget proposals and in the additional information given to the Committee often does not include the functional analysis that had led to recommendations for the reduction or retention of posts. In the view of the Committee a clear rationale should be provided in the future on reductions, together with a functional justification in support of the posts to be retained, in particular in administrative units of the missions. Post reductions in missions of long standing, such as UNFICYP and UNIFIL, also entail the need to consider termination indemnities for national staff; the Committee requested information on guidelines developed thus far.

Resident investigators and auditors

86. The Committee considered the report of the Secretary-General on the experience with resident investigators in peacekeeping operations (A/57/494), which

is submitted pursuant to the request of the Committee (A/56/887, para. 55) that the Secretary-General prepare a report on the experience so far with resident investigators, including proposals and plans for future review by the Committee in the context of budgets for peacekeeping for the period starting 1 July 2003. The Committee had discussions on the matter with the Under-Secretary-General for Internal Oversight Services.

87. The report of the Secretary-General attempts to provide such analysis and identifies pros and cons with respect to the use of mission-based investigators versus regional investigators (A/57/494, paras. 14-26). It concludes that the use of regional investigators would be the preferred option, based on considerations of geographic proximity and timeliness (ibid., para. 26). The Office of Internal Oversight Services would place regional investigators in Nairobi and either Geneva, where the Office already has a presence, or Vienna, a location that is considered by the Office to have well-established administrative support structures and which has direct air transportation to many regions of the world, including peacekeeping mission areas (ibid., para. 20). The OIOS proposes that 12 additional posts (2 P-5, 4 P-4, 4 P-3 and 2 General Service) be allocated to those regional hubs for the use of its Investigations Division, so that the Office would have the capacity to respond to the increasing caseload in peacekeeping operations (A/57/494, paras. 8 and 30). Financing would be sought in the context of the provision of the support account for peacekeeping operations for the period from July 2003 to June 2004, subject to guidance by the General Assembly (ibid., para. 35).

88. With regard to the caseload in peacekeeping operations (see A/57/494, paras. 6-10 and 27-30), the Committee notes that, in the biennium 2000-2001, the Office of Internal Oversight Services received a total of 311 peacekeeping cases — an average of 156 cases per year — and, in the period from 1 January to 30 September 2002, 180 cases; the Office estimates that by the end of 2002 approximately 216 cases will have been received in that year (ibid., para. 8). On the basis of the annual workload estimates for the period from 2000 to 2002, the Office estimates that cases involving peacekeeping matters average 176 per year; it also estimates that, as a working average, 250 person-hours are required to conduct each investigation and produce a report. Thus, to be able to handle this workload, the Office estimates that 44,000 hours of investigator time would be required (176 cases times 250 hours per investigation), requiring approximately 24 investigators (A/57/494, paras. 28 and 29). At this stage, however, the Office of Internal Oversight Services proposes the addition of 12 posts for the Investigations Division, as indicated in paragraph 87 above.

89. In view of the number of cases requiring investigation in some missions, the Committee notes that, during the last biennium, the Office of Internal Oversight Services placed mission-based (resident) investigators in UNMIK, UNTAET and MONUC, using ad hoc funding, and that, currently, mission-based investigators are located in only two missions, UNMIK and UNMISET, also funded on an ad hoc basis (A/57/494, para. 15). The Committee recalls that these two missions are implementing plans to downsize the mission operations.

90. The Committee notes that the Office is very pleased with the results of mission-based investigation, especially with the ability of the team to handle large and small matters in a more timely fashion and to provide mission management with solutions (A/57/494, para. 14). **The Committee is concerned that the**

demonstrated growth in cases in the missions, discussed in the report (ibid., para. 10), may have resulted in part from an increasing number of administrative management cases referred by mission management to investigators of the Office of Internal Oversight Services. The Committee notes the Office's observation that many peacekeeping cases routinely remain on the inactive list owing to a lack of resources necessary to conduct such investigations (ibid., para. 18). In the Committee's opinion, there is a need to refine further the methodology for determining the cases to be investigated by the Office, so that cases related to administrative management issues would be investigated and resolved by the mission management itself in an expeditious manner.

91. Subsequent to the hearings on the matter, the Committee was provided with detailed explanations on the operational effectiveness and advantages of deploying investigators in regional hubs. The Committee was informed that the proposal of the Office of Internal Oversight Services as to the location of the regional hubs has been reassessed against current caseload statistics. On the basis of this reassessment, the Office proposes Nairobi and Vienna as the suitable locations for investigator resources. Furthermore, the Office would provide the Committee with an update in the spring of 2004 as to the benefits of retaining Nairobi and Vienna as regional hubs, or recommendations as to which locations might be more suitable for the placement of investigator resources in future years.

92. The Committee was also provided with clarification on the total number of investigation posts of the Office of Internal Oversight Services, including posts in peacekeeping missions, and the breakdown of the posts by source of funding. The management of investigations conducted in peacekeeping missions is now being done from New York. Currently, the Investigations Division has 27 posts (18 posts in New York and 3 posts each in Geneva, Nairobi and the Tribunals). These posts are funded from the regular budget, the support account for peacekeeping operations and extrabudgetary resources, as shown in the table.

Posts in the Investigations Division of the Office of Internal Oversight Services

	Regular budget		*Support account*[a]		*Special funding*		*Extrabudgetary*		*Totals*	
Location	*P*	*GS*	*P*	*GS*	*P*	*GS*	*P*	*GS*	*P*	*GS*
New York	10	4	2	1	-	-	-	1	12	6
Geneva	2	1	-	-	-	-	-	-	2	1
Nairobi	2	1	-	-	-	-	-	-	2	1
Tribunals	-	-	-	-	3	-	-	-	3	-
Total	**14**	**6**	**2**	**1**	**3**	**-**	**-**	**1**	**19**	**8**

Note: P: Professional; GS: General Service.

[a] Comprises one P-5, one P-3 and one General Service post.

93. The Committee was informed that the P-5 post currently funded through the support account is responsible for all liaisons with Department of Peacekeeping Operations management at Headquarters and peacekeeping missions. The P-5 is the manager of all investigations carried out in the peacekeeping sphere, including the

investigations carried out in UNMIK and UNMISET where resident investigators are based. This includes the recruitment of investigators, case planning and direction, finalization of reports of investigations, oversight of budgeted funds for Department investigations and preparation of reports to the General Assembly. In addition, a total of four resident investigators (3 in UNMIK and 1 in UNMISET) were deployed through the redeployment of vacant posts, in the light of the significant caseloads of those missions. While the Department of Peacekeeping Operations administers these posts, the Office of Internal Oversight Services is responsible for the identification and selection of candidates and for the management of substantive issues in the exercise of its operational independence, pursuant to General Assembly resolution 48/218 B. Resident investigators do not report to mission management on substantive issues, except in cases where it is imperative that the management is made aware of significant cases. The 10 investigator posts and 2 General Service posts proposed would replace the current field-based staff as from 1 July 2003, should the Committee recommend approval of these additional resources.

94. The Committee agrees that the regional investigation approach rather than the mission-based approach would in most instances be the preferred option. **The Committee, at this stage, is not convinced, however, that all 12 additional posts are required for investigation activities in peacekeeping missions. The Committee's detailed recommendations on the request for 12 resident investigators are contained in its report on the budget for the support account for the period 2003/04 (see A/57/776, paras. 64-66).**

95. The Committee also reviewed the issue of resident auditors in peacekeeping operations in the context of its review of the report of the Board of Auditors (see also A/56/887, paras. 48-52). The Board's report (A/57/5, vol. II, chap. II, paras. 94-110) contains information on the implementation of the Board's previous recommendations on resident auditors. Of the seven recommendations contained in the Board's report for the financial period ended 30 June 2001, one recommendation was fully implemented and six were under implementation (ibid., para. 96). **The Administration's response (ibid., paras. 101 and 102) did not help the Committee to assess whether the recommendations of the Board on the capacity of the resident auditors to perform structured value-for-money and information communication technology audits were being implemented or, indeed, were implementable.**

Non-expendable equipment

96. With regard to the Board's findings and recommendations on non-expendable equipment (A/57/5, vol. II, chap. II, paras. 29-35), the Committee expresses concern about the Board's finding that there have been delays in the disposal of equipment at most missions for reasons that included heavy workloads, incorrect information or a lack of information submitted to the Local Property Survey Boards and the non-operation of the Boards (ibid., para. 33). Similarly, the Committee is concerned about the other findings of the Board on inventory management, in respect of such cases as:

(a) When procured equipment was not utilized for a number of years (UNDOF and UNTSO) and damaged property items were not reported as required by the Financial Regulations and Rules (UNDOF).

(b) When equipment procured for MONUC remained at the United Nations Logistics Base for at least a year, a situation that called into question the need for the equipment.

(c) When discrepancies identified during physical inventory checks at the United Nations Logistics Base were not followed up.

(d) When UNAMSIL did not conduct periodic physical inventories at some of its warehouses in 2002 and its Local Property Survey Board did not convene in more than a year to discharge its responsibilities.

(e) When 54 per cent of the total value of items pending write-off in UNMIK have been pending for more than six months and when UNMIK did not update the field assets control system with attractive items valued at $26,762 that had been stolen.

97. In view of the continuing problems in inventory management identified by the Board of Auditors, the information provided by the Department of Peacekeeping Operations on measures taken or to be taken to rectify the situation (A/56/5, vol. II, chap. II, para. 35; and A/57/5, vol. II, chap. II, para. 35 and annex II, table A.2) does not provide a clear picture of the progress and results achieved in the implementation of the Board's recommendations.

98. **The Committee is concerned that despite similar weaknesses in inventory management identified by the Board of Auditors in the past and except for the limited progress in reconciling closing and opening inventory balances, no progress appears to have been made in achieving efficiency in recording and accounting for inventory and in the work of the Local Property Survey Boards. The Committee stresses that problems in inventory management are exacerbated by the apparent lack of accountability, vacancy situations and rotation of staff, low priority given by missions to property inventory and by the difficult operational conditions. Without clear knowledge of their inventory, missions may very well request funds for additional purchases of assets they do not require.**

99. **The Committee stresses that the volume and value of the Organization's inventory in peacekeeping operations (there were, for example, 10,792 vehicles in the missions in December 2000) demand that greater attention be paid to proper and effective recording and accounting and to achieving efficient inventory management, including disposal of obsolete and unusable assets. The Committee expects the Administration to inform the Board of Auditors of the results achieved in the course of the implementation of the Board's recommendations on inventory management. The Committee also requests that the Board ascertain whether changes have been made to remedy the inefficiency and other weaknesses it has identified in this and previous audits.**

Communication and information technology

100. The Committee notes that the estimates for communication and information technology total $101 million for 2003/04, $68.3 million for communications and $32.7 million for information technology (see A/C.5/57/34/Rev.1). The Department of Peacekeeping Operations provides, through its Communications and Information Technology Service, the delivery of voice, email and video, high-speed data system

and network services, and applications for all peacekeeping and Department-administered operations in the field worldwide.

101. The Committee was informed of the progress in developing and implementing communication and information technology projects involving the following nine systems: (1) Field IMIS; (2) Galaxy; (3) Galileo; (4) Mercury; (5) Contingent-owned Equipment; (6) Movement Control; (7) E-STARS Suite, comprising Team Agenda, Mars, Department of Peacekeeping Operations Planner and Situation Reports Repository; (8) Department of Peacekeeping Operations-Go Portal; and (9) Funds Monitoring Tool. Information was requested on the status of these projects, but it has not been provided.

102. **The Committee commends the efforts of the Department of Peacekeeping Operations and the field missions in developing communication and information technology, as they are in concert with the Committee's observation on the need for modern information technology for the management of peacekeeping operations (see A/56/887, para. 62). As communication and information technology projects involve substantial capital expenditure, the Committee recommends that all future requirements for both new and replacement programmes be undertaken after comprehensive analysis of the functional requirements of the field missions. Moreover, a clear time frame for the completion of such projects should be indicated in the proposed budget submission and the status of implementation of tasks performed should be reflected in the performance report.**

103. The Committee was informed that as a result of the efforts of the Department of Peacekeeping Operations and field mission staff there had been an improvement in such areas as accounting for equipment in field missions, workflow and electronic transfer of reports. **The Committee acknowledges that it is too early for much of the work that was carried out in 2002 to be evaluated. The Committee points out, however, that the productivity and efficiency realized so far are not readily apparent. The Board of Auditors indicates (A/57/5, vol. II, chap. II) that on a number of subjects, including property management, write-offs and the working of Local Property Survey Boards, the full value of the Organization's investments in technology is yet to be realized in a comprehensive manner.**

104. **It appears from the information provided to the Committee on the nine information technology systems in the Department of Peacekeeping Operations that there is a lack of a comprehensive identification of needs, including a cost-benefit analysis, and the requisite architecture.**

105. **The Committee detected a potential for duplication of databases, which could complicate the work of programme managers and make it less efficient for them to prepare accurate reports promptly without having recourse to a multiplicity of difficult or inefficient interactive sources. The Committee had requested (A/56/887, para. 62) that a review be made of the many databases that had been or were being developed, with a view to ensuring that they are compatible and interactive and that they can be used with optimal effectiveness. There is no evidence that such a review has been undertaken.**

106. **The Committee recommends that the Secretariat, in the context of the budgets of peacekeeping operations for 2004/05, should evaluate the cost-benefit and the efficiency and productivity results of the information**

technology systems of the Department of Peacekeeping Operations that will have been implemented by the end of 2003 to ensure that the objectives sought have been realized and to correct any weaknesses identified. The Committee reiterates its caution (see A/56/887, para. 69) against an apparent tendency to acquire the most up-to-date communication and data-processing equipment, which may not be appropriate to the practical needs of the mission.

Air transportation

107. The report of the Board of Auditors deals with air operations (A/57/5, vol II, chap. II, paras. 81-93) and provides information on the implementation of the previous recommendations of the Board on this matter (ibid., annex II, table A.2). The Committee's comments and recommendations on air operations are set out in its previous report (A/56/887, paras. 64-68). The Committee notes that the estimates for air transportation for the period 2003/04 amount to $270.5 million (see A/C.5/57/34/Rev.1, annex).

108. The Committee also notes from the Board's report (para. 82) that the number of actual flying hours has risen from 28,000 in 1999 to 59,000 in 2001. The number of planned flying hours is not available but the Committee has consistently found overestimation under this object of expenditure. The Committee was informed that air transportation expenditures increased from $59 million in 1994 to $158 million in 2002. For the period 2003/04 provisions for air transportation are projected at $264.8 million, excluding staff costs, air service contract costs and related equipment costs (see A/C.5/57/34/Rev.1 for a breakdown of the estimates by peacekeeping operation). **In view of the sharp increase in air operation costs and the Board's findings (paras. 83 and 84 of its report), the Committee requests that the Board ascertain whether an effective and adequate capacity is in place in peacekeeping operations to plan, manage and monitor the configuration and utilization of air assets. The Committee requests the Secretariat to examine and clarify the various methods for costing block hours, together with the relative merits of commercial hiring versus letter-of-assist arrangements. Furthermore, the Committee has noted extensive variances in the missions between planned flight hours and the hours actually flown. This experience should be taken into account when contracting for air services.**

109. The Committee was informed that the Board of Auditors did not carry out a comprehensive compliance audit of air operations. **The Committee recommends that the Board, in its next audit, consider expanding its audit of air operations using, where necessary, the services of specialists in the field to be audited.**

110. As indicated of the Board's report (A/57/5, vol. II, chap. II, para. 82), the ratio of accidents to flying hours has increased from 0.71 in 1999 to 1.02 in 2001. The Committee was informed, upon enquiry, that these ratios do not take account of air incidents, although the related data is recorded and maintained in files. **The Committee requests that information on air incidents be provided in future audit reports together with information on air accidents. Furthermore, the Committee considers it important to ensure safety in air operations through, in particular, the vendors' pre-qualification exercise, technical evaluation by the Department of Peacekeeping Operations of bids for air services, and regular assessment of vendors' performance.**

111. The Committee welcomes the Board's attention to the question of air safety. The Committee considered the situation revealed by the Board to be unacceptable. Despite the information on compliance provided in the report (ibid., para. 86), the Committee is concerned about the Board's finding that, by June 2002, four recommendations on air safety, out of nine made by the Technical Cooperation Bureau of the International Civil Aviation Organization in July 2000, had not been implemented and that the remaining recommendations had been implemented only partially (ibid., para. 83). The report contains information on common shortcomings in air safety identified by the Aviation Safety Unit and the audit teams of the Board of Auditors (ibid., para. 84). The Committee has regularly agreed with requests for funding related to training, yet at the time of the audit insufficient training was provided to aviation officers (ibid., para. 84 (a)).

112. **The Committee is not satisfied with what appears to be an overly bureaucratic approach of the Transport Unit of the Department of Peacekeeping Operations to enforcing zero tolerance for alcohol, whereby the Unit at the time of audit was exploring technical and administrative procedures to ensure effective compliance with established regulations on the consumption of alcohol by aircrews (ibid., para. 84 (f)). The Committee is of the view that, given the existing stand and operating procedures, it does not appear that there is much to explore: what is required is to enforce the relevant regulations on zero tolerance for alcohol and hold those who contravene them fully accountable.**

113. **The Committee recalls its previous comments and recommendations on transportation of non-United Nations personnel and reimbursement for air support services (see A/56/887, para. 66) and it considers, therefore, unacceptable and unsatisfactory the Administration's reply that in order to monitor the activities of missions with respect to the transportation of non-mission personnel or cargo, all missions have been directed to submit monthly reports (see A/57/5, vol. II, chap. II, para. 89). The Committee is of the view that, to avoid micromanagement by the Department of Peacekeeping Operations at Headquarters, field missions should have full authority to establish mechanisms for such reimbursements after receiving appropriate guidelines from the Department.**

114. **In the view of the Committee, the apparent lack of information given to the auditors on whether the extension of contracts was always subject to the prior completion of vendor performance evaluation is a very serious matter. Indeed, with respect to the airfield services contract for MONUC, some of the findings of the Board (ibid., para. 91) appear to the Committee to put into serious question the justification to readily agree to renew the contract.**

Insurance of vehicle fleet

115. The Committee points out that the Board's findings about the discrepancies in vehicle fleet counts (see A/57/5, vol. II, chap. II, para. 113) confirm the Committee's recommendations on inventory management. **With regard to insurance of the vehicle fleet in peacekeeping operations, the Committee welcomes the Board's recommendations, in particular the recommendation to conduct a cost-benefit analysis as a basis for taking a decision on the alternative risk-financing programmes.**

Procurement and contract management

116. The Board of Auditors dealt with issues of procurement and contract management (see A/57/5, vol. II, chap. II, paras. 117-139) and identified problems relating to the issue of a code of ethics for procurement (ibid., paras. 118 and 119), inadequate training of procurement officers at the peacekeeping operations (paras. 120-122), the lack of comprehensive procurement planning by missions (paras. 123-127), excessive lead times in delivery of procured items (paras. 128-131), renewal of contracts without vendor performance evaluation reports (paras. 132-136), inadequate assessment of vendor capacity and the need for goods/services prior to registering vendors (paras. 137-139) and the lack of prioritization in respect of topics for training and the people to be trained (paras. 140-143).

117. The Committee sought clarifications from the Board with regard to the issue of a code of ethics and declaration of independence referred to in the report (paras. 118 and 119). The auditors informed the Committee that the recommendation aims at establishing a framework for proactive accountability measures to supplement and further strengthen the existing rules and guidelines concerning conflict of interest. The Committee notes that the Board made similar comments in its previous report.

118. **The Committee finds timely and essential the Board's recommendation on a code of ethics and declaration of independence by all staff members associated with the procurement cycle.** The Committee was informed of instances where staff members who had left the Organization subsequently worked with contractors whose services they had participated in procuring while they were staff members of the United Nations. The Committee refers to its observations in paragraph 114 above regarding a potential conflict of interest with respect to secretariat officials as regards the airfield services contract for MONUC.

119. The Committee was informed of the Board's intention to update the audit manual, to take account of best practices, including the issues of ethics, that have been incorporated in audit activities since the last revision of the manual seven years ago. **The Committee welcomes this intention and requests also the Board to follow up on the implementation of its recommendation on a code of ethics.** The Committee recalls in this connection that the General Assembly, in paragraph 28 of its resolution 52/226 A, requested the Secretary-General "to submit proposals on possible amendments to the Financial Regulations and Rules of the United Nations and the Staff Regulations and Rules of the United Nations in order to address issues of potential conflict of interest, such as the employment of former United Nations procurement officers by United Nations suppliers and vice versa.

120. The Committee points out that the Board's observations (ibid., para. 120) indicate that training in procurement is not given the priority it deserves. For example, the Committee was informed that of the 279 UNMIBH staff trained during the period ended 30 June 2002, only one staff member was trained in procurement activities. **The Committee trusts that the implementation of the training programme of the Procurement Division will eliminate the deficiencies in procurement identified by the Board. The Committee requests the Board to follow up on this in the context of its comprehensive audit of training programmes in the United Nations.** The auditors informed the Committee that a horizontal audit was being conducted of all training activities of the Organization. **The Committee welcomes this information.**

121. The Board has identified a number of problems in project delivery in UNMIBH (see A/57/5, vol. II, chap. II, paras. 163-171), including serious deficiencies in the procurement of patrol boats, cars and buses for the State Border Service and in the execution of a project for disabled students (para. 169). It took almost a year to sign a contract to procure the patrol boats, for instance (para. 167).

122. **As indicated in the Board's report (para. 168), it took 10 months to procure cars but after nine months their users judged them unsatisfactory. The Committee notes the intention of the Department of Peacekeeping Operations to conduct a comprehensive review of the acquisition process (see para. 171 of the Board's report) and requests the Board to follow up on the issues reflected in its report and to include the related information in its next audit report on peacekeeping operations.**

Travel

123. The Committee notes that the estimates for official travel for the period 2003/04 amount to $13.6 million (see A/C.5/57/34/Rev.1, annex). The Committee noted that in the individual peacekeeping budgets the reasons given for the increased requirements for official travel for 2003/04 were often inadequate and misleading. For example, in one mission the increased requirements are explained as resulting from planned additional travel for substantive and administrative support in relation to the consolidation of the peace process and training for the enhancement of the competencies of the staff in technology (A/57/673, para. 13). In another mission, the Committee noted that intended travel for conferences and seminars had unspecified outputs or expected accomplishments, appearing rather as contingency plans for more travel for management officials. The Committee noted from detailed information provided to it that the bulk of official travel resources are for training and management purposes. In general, the Committee noted that travel provisions relating to the mandate of the missions for political consultations and within the mission area accounted for only a small proportion of the resources requested.

124. **The Committee is of the view that it is not enough to justify travel for management and training purposes as being necessary to "increase efficiency and effectiveness". There must be a specific purpose for such travel, which would lead to a measurable result in fulfilling stated objectives. Moreover, it can be presumed that as staff members are trained they will need less supervision in the carrying out of their tasks, thus requiring less travel for this purpose by senior officials. It should also be possible to reduce travel through increased use of technology and by training trainers for some of the services of the missions, as previously recommended by the Committee (see A/56/887, para. 74). The Committee notes, for example, the designation, in the additional information provided, of some of the official travel as "familiarization" travel, or travel of officials of the Department of Peacekeeping Operations to the mission, for the purpose of familiarizing themselves with its operations. The Committee recommends that alternative methods, such as videoconferencing, be explored to achieve the same purpose.**

Bank charges

125. Bank charges reported under miscellaneous services amounted to $5.2 million for 2001/02. For the period 2003/04, bank charges amounting to $4.2 million are anticipated. **The Committee believes that these considerable resources should be carefully monitored and wherever possible agreement should be made with banking authorities to lower bank charges; furthermore, the Committee believes that for those missions being downsized the decrease in the level of operations (e.g., volume of payment transactions for salaries and allowances) should lead to lower costs for bank services.**

126. Upon enquiry, the Committee was informed that the Secretariat would develop a model banking agreement to standardize peacekeeping mission practices, with a view to negotiating lower bank charges with banking authorities where the United Nations operates a peacekeeping mission. **The Committee welcomes this development and requests that, once the model banking agreement has been developed, the lessons learned from its use be applied in all missions and offices away from Headquarters, whether they are peacekeeping missions or not.**

Training

127. The Committee notes that the estimates shown in the overview report in the amount of $6.5 million for the period 2003/04 for the training of civilian staff (A/57/723, tables 12 and 13) do not include training-related travel and provisions for training supplies and equipment. **The Committee points out that the estimates for training provided in the individual peacekeeping budgets are not clearly stated, as the costs of training-related travel and training supplies and equipment are subsumed under various miscellaneous budget lines.** The Committee was provided with information on the breakdown by mission of the total training resources requested for the period 2003/04 for the proposed civilian staff, as compared with training resources in the approved budgets for 2002/03 and expenditures in 2001/02 (see annex I to the present report).

128. The Committee noted inconsistencies in the information on training received from the Secretariat. In UNMIK, for example, the performance report indicated that 2,745 personnel were trained in 2001/02 (A/57/678, p. 11), while the additional information given to the Committee shows only 2,676 staff and other persons trained in 2001/02.

129. **From the information provided in the documents and during the hearings, the Committee believes that in some missions individual staff members may be receiving multiple training courses that may not be related to their current or future areas of responsibility in peacekeeping missions. The Committee requests that in the future accurate statistics and records of costs related to staff training be kept; furthermore, the training of personnel is an important component of the proposed budget and all resources requested for training should be indicated under one heading clearly and comprehensively in the budget, without being subsumed under other miscellaneous budget lines of the proposal.**

130. **Supplementary information submitted to the Committee in the context of performance reports should include not only the number of staff members trained and the type of training received; it should also specify whether the**

staff members are still at the mission or, if not, indicate the mission to which they have been transferred. Moreover, the Committee recalls that cost overruns, in terms of activities related to mandate implementation, need to be adequately justified from the operational point of view (see A/56/887, para. 19).

131. **The Committee reiterates its view that there is a need for better planning for training of personnel and that the subjects covered in the training programmes should be tailored towards fulfilling the mandate of missions (see A/56/887, para. 74). The Committee has noted a tendency to favour training in communication and information technology, to the apparent neglect of areas such as asset management, personnel, budget and financial matters. The Committee has commented on the concern of the Board of Auditors with regard to weaknesses in the skills of staff concerned with mission liquidation (see para. 139 below). Inconsistencies in this area would indicate poor planning and weak monitoring and difficulty in follow-up on the effectiveness of training programmes in addressing mission problems.**

132. **In its report on the budget of the support account for 2002/03 (A/56/941, para. 30), the Committee called for the Secretariat to develop a methodology and monitoring system to evaluate the results of training in peacekeeping and related areas, as well as to increase its effectiveness by making it more mission-specific, where appropriate. The outcome of that exercise was to be provided in the context of the submission of budgets for peacekeeping operations for 2003/04, but this has not been done. The Committee reiterates its request for such an exercise.**

133. **In the view of the Committee, staff who are trained should, to the extent possible, remain in the mission for which they are trained and, if transferred, should continue to perform the function for which they were trained. The Committee requests that the Board of Auditors take the views of the Committee as expressed in this and the previous paragraphs into account when performing its horizontal audits.**

Miscellaneous supplies, services and equipment

134. On the basis of the information provided to it, the Committee concludes that the expenses of a large number of items are incorrectly charged to miscellaneous supplies, services and equipment. In the opinion of the Committee, these expenses should be clearly identified and justified in the proposed estimates. The Committee sees no reason why, in some missions, items such as rations, training, travel, public information expenses, communication expenses and fuel delivery for air operations should be charged to miscellaneous expenses. Furthermore, the Committee notes that the amounts initially provided to it for consideration under this item are often subsequently corrected, indicating a lack of proper monitoring and recording of this type of expenditure.

135. **The Committee therefore requests the Secretariat to review the criteria for preparing estimates for and charging items to miscellaneous expenses, with a view to minimizing, to the extent practicable, an apparent tendency to use this item for unbudgeted expenses that should be planned, revealed and justified in the budget estimates. Furthermore, the category of expenditure "Miscellaneous supplies, services and equipment" should be for small items that do not fall within the broad budget categories of expenditure and for**

which the costs cannot be anticipated or planned in the estimates. It should not be for items that entail large expenditure.

136. In response to the Committee's concerns, as expressed above, the Committee was informed that items included under the object of expenditure "Other miscellaneous services" will be more clearly defined and attributed to other object classes such as facilities and infrastructure, as appropriate. The inclusion of rations in this category will be reviewed for the 2004/05 budget period. The nomenclature of this category will also be reviewed.

Death and disability benefits

137. The Committee notes from the Secretary-General's report (A/C.5/57/37, para. 4) that almost all claims are now processed within the 90-day timeline established by the General Assembly whenever complete information is provided by the Member State at the time of submission of the claim. The Committee also notes that there is no longer any backlog of claims (A/C.5/56/41, para. 10, and A/C.5/57/37, para. 5).

138. The actions to be taken by the General Assembly in connection with death and disability benefits are set out in the reports (A/C.5/56/41, para. 11, and A/C.5/57/37, para. 6). **For the reasons given in the preceding paragraph, the Committee recommends that, in future, information on death and disability benefits be included in the overview of the general report on peacekeeping operations.**

Liquidation of field missions

139. **The Committee concludes from the findings and observations of the Board of Auditors on the liquidation of field missions (see A/57/5, vol. II, chap. II, paras. 144-162) that numerous problems have occurred because of the lack of such skills as budgeting, finance, accounting, procurement and inventory management. The Committee stresses that staff possessing these skills in missions under liquidation should be given the opportunity to serve in other missions provided there are functions to carry out in those missions. The Committee notes that 20 international and 12 local staff of UNMIBH had been reassigned to other missions by early 2003 and that some 40 others were under consideration for other missions (ibid., para. 152).**

140. The Committee has commented in the past on the persistent weaknesses of the mission liquidation process and has indicated that the period between the end of the mandate of a mission and the date of the final performance report is long (see, e.g., A/56/887, paras. 71 and 79). **The Committee remains concerned that all the weaknesses relating to the capacity of the Secretariat to handle liquidations and other related tasks at Headquarters and in the field have not yet been fully addressed. For example, the Committee had been informed that standard operating procedures for mission liquidation would be issued before the Committee's review of peacekeeping matters in 2003, but guidelines for mission liquidation have not yet been promulgated. The Committee notes some improvements in the liquidation of UNMIBH, but it is not convinced that a roster is being maintained of personnel who are properly qualified and experienced in mission liquidation, so that the Organization could have recourse to their expertise and experience. The Committee recommends that the Secretary-General make innovative proposals on the use and retention of**

peacekeeping operation personnel in areas such as those highlighted by the Board and referred to above.

141. The Committee received clarification that the status of the local staff of UNMIBH was converted to internationally recruited staff before they were reassigned to other missions. This being the case, the Committee points out that it was the reassignment of international rather than local staff. **The Committee stresses that contractual appointments of limited duration to work for peacekeeping operations should not in any way give rise to the expectation that the United Nations is at any time under the obligation to offer career appointments to mission appointees.**

Security

142. With regard to resources for peacekeeping operations, the Committee was provided with expenditure for the period 2001/02 totalling $33.5 million and projected requirements for 2003/04 in the amount of $32.7 million (see annex II to the present report for a breakdown by mission).

Annex I

Training resources by peacekeeping component and financial period

(Thousands of United States dollars)

Class	*UNOMIG*	*UNMIK*	*UNFICYP*[a]	*UNDOF*	*UNIFIL*	*UNIKOM*	*UNMISET*[b]	*MINURSO*	*UNAMSIL*	*MONUC*[c]	*UNMEE*[d]	*UNMIBH*	*UNLB*	*Support account*[e]	*Total*
1. Expenditure for the period from 1 July 2001 to 30 June 2002															
Consultants	-	-	-	-	-	-	-	-	-	-	-	257.5	-	110.5	**368.0**
Official travel	104.1	156.1	47.4	74.8	12.9	60.6	177.0	113.0	295.9	476.6	231.3	29.3	5.8	557.8	**2 342.6**
Miscellaneous services	47.6	285.0	31.9	29.0	351.2	30.0	105.8	101.5	81.0	51.4	40.9	-	120.7	215.4	**1 491.4**
Total, line 1	**151.7**	**441.1**	**79.3**	**103.8**	**364.1**	**90.6**	**282.8**	**214.5**	**376.9**	**528.0**	**272.2**	**286.8**	**126.5**	**883.7**	**4 202.0**
Number of staff trained	45	2 676	49	166	136	33	2 679	40	63	145	69	279	155	-	**6 535**
2. Approved resources for the period from 1 July 2002 to 30 June 2003															
Consultants	-	-	-	-	-	-	-	-	-	-	-	95.0	-	519.0	**614.0**
Official travel	288.5	155.2	-	107.4	96.3	44.7	65.0	68.7	254.5	502.1	262.3	-	-	1 916.5	**3 761.2**
Information technology	-	-	-	-	-	-	-	-	-	-	-	-	-	30.0	**30.0**
Miscellaneous services	80.5	418.3	82.4	41.6	266.6	117.1	209.9	43.0	68.1	249.7	131.1	10.0	391.2	470.0	**2 579.5**
Total, line 2	**369.0**	**573.5**	**82.4**	**149.0**	**362.9**	**161.8**	**274.9**	**111.7**	**322.6**	**751.8**	**393.4**	**105.0**	**391.2**	**2 935.5**	**6 984.7**
Number of staff to be trained	145	1 331	63	105	143	26	192	19	45	94	57	161	107	-	**2 488**
3. Estimates for the period from 1 July 2003 to 30 June 2004															
Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-	243.0	**243.0**
General temporary assistance	-	-	-	-	-	-	-	-	-	-	-	-	-	10.0	**10.0**
Official travel	253.9	144.9	80.5	139.8	156.4	62.0	129.5	89.0	741.8	346.6	317.0	-	8.0	2 250.5	**4 719.9**
Miscellaneous services	153.1	396.0	81.2	134.8	277.7	72.7	150.0	55.8	-	273.2	234.0	-	388.0	1 513.0	**3 729.5**
Total, line 3	**407.0**	**540.9**	**161.7**	**274.6**	**434.1**	**134.7**	**279.5**	**144.8**	**741.8**	**619.8**	**551.0**	-	**396.0**	**4 016.5**	**8 702.4**
Number of staff to be trained	191	524	116	128	371	32	159	32	120	651	307	-	216	-	**2 847**

(Footnotes on following page)

(Footnotes to table)

[a] For 2002/03, travel costs were included under miscellaneous services.

[b] For 2001/02, the number of staff included the within-mission training of staff.

[c] For the 2001/02 period, expenditures for miscellaneous services were recorded under official travel. For the 2003/04 period, the estimate for miscellaneous services has been included under official travel.

[d] For the 2003/04 period, includes 200 national staff to be trained in office automation, languages, etc.

[e] Data on the number of military personnel and civilian staff trained are not currently available. For the 2001/02 period, the expenditure on official travel was recorded under miscellaneous services and was inadvertently overlooked in the crosswalk to the new class structure.

Annex II

Summary of mission security resources by peacekeeping operation

(Thousands of United States dollars)

Class	*UNOMIG*	*UNMIK*	*UNFICYP*	*UNDOF*	*UNIFIL*	*UNIKOM*	*UNMISET*	*MINURSO*	*UNAMSIL*	*MONUC*	*UNMEE*	*UNMIBH*	*UNLB*	*Total*
1. Expenditure for the period from 1 July 2001 to 30 June 2002														
International staff	2 489.4	4 575.6	-	-	117.4	98.0	4 557.4	-	373.6	2 897.5	108.4	2 661.0	-	**17 878.3**
National staff	494.3	4 961.3	-	-	-	185.0	554.4	-	-	191.4	27.6	1 846.0	24.1	**8 284.1**
Facilities and infrastructure	129.2	116.9	68.2	20.0	14.2	15.0	81.8	-	-	-	77.2	190.1	-	**712.6**
Ground transportation	-	76.1	-	21.0	3.6	332.0	-	-	-	13.2	612.7	717.0	-	**1 775.6**
Miscellaneous supplies, services and equipment	72.8	619.7	25.2	26.0	3.0	8.0	212.5	-	168.9	2 408.2	1 200.0	74.7	20.0	**4 839.0**
Total, line 1	**3 185.7**	**10 349.6**	**93.4**	**67.0**	**138.2**	**638.0**	**5 406.1**	**-**	**542.5**	**5 510.3**	**2 025.9**	**5 488.8**	**44.1**	**33 489.6**
2. Requirements for the period from 1 July 2003 to 30 June 2004														
International staff	2 952.2	3 026.7	80.2	-	117.0	174.2	3 465.6	-	500.0	6 212.4	216.0	-	50.0	**16 744.3**
National staff	494.3	2 794.5	-	-	18.0	183.7	507.0	-	-	593.7	24.9	-	24.1	**4 616.1**
Facilities and infrastructure	131.4	2 842.7	153.5	369.0	36.0	9.0	-	-	-	585.7	51.2	-	210.0	**4 178.5**
Ground transportation	-	96.6	-	131.0	6.0	-	-	-	-	-	516.3	-	50.0	**749.9**
Miscellaneous supplies, services and equipment	72.9	3 557.2	79.0	90.0	20.7	85.0	80.6	-	240.0	952.0	1 200.0	-	-	**6 377.4**
Total, line 2	**3 650.8**	**12 317.7**	**312.7**	**590.0**	**197.7**	**451.9**	**4 053.2**	**-**	**740.0**	**8 343.8**	**2 008.4**	**-**	**334.1**	**32 666.2**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Observer Mission in Georgia

Financing of the United Nations Observer Mission in Georgia

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2001 to 30 June 2002 (A/57/676) and on the proposed budget for the 12-month period from 1 July 2003 to 30 June 2004 (A/57/677). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. UNOMIG was established by the Security Council in its resolution 858 (1993) of 24 August 1993. Since then, its mandate has been extended by the Council in various resolutions, the latest being resolution 1462 (2003) of 30 January 2003, by which it extended the mandate of the Mission until 31 July 2003.

I. Financial performance report for the period from 1 July 2001 to 30 June 2002

3. The General Assembly, by its resolution 55/267 of 14 June 2001, appropriated an amount of $27,896,341 gross ($26,175,806 net) for the maintenance of UNOMIG for the period from 1 July 2001 to 30 June 2002, inclusive of $816,452 gross for the support account for peacekeeping operations and $85,289 gross for the United Nations Logistics Base at Brindisi, Italy.

4. As indicated in part II.A of the performance report, expenditures for the period ended 30 June 2002 amounted to $25,284,600 gross ($23,535,500 net), resulting in

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an unencumbered balance of $1,710,000 gross ($1,847,200 net), i.e., 6.3 per cent (in gross terms) of the amount apportioned.

5. The comments of the Committee on individual objects of expenditure covered in the performance report can be found, where relevant, in the discussion of the proposed budget (see part IV below).

II. Information on performance for the current period

6. The Advisory Committee was informed that the cash position of the Mission as at 28 February 2003 was $1.7 million and that unliquidated obligations for the period from 1 July 2001 to 30 June 2002 amounted to $0.9 million. The total amount assessed on Member States for UNOMIG since its inception was $187.8 million as at 28 February 2003, against which the payments received amounted to $163 million, leaving an outstanding balance of $24.8 million.

7. The Advisory Committee was also informed that against the authorized staffing establishment of 135 military observers, 109 international staff and 177 national staff for UNOMIG for the period from 1 July 2002 to 30 June 2003, the posts encumbered as at 28 February 2003 were those of 116 military observers, 93 international staff and 176 national staff.

8. With regard to contingent-owned equipment, the Advisory Committee was informed that the amount reimbursed from the inception of the Mission to 28 February 2003 was $160,000, the estimated amount owed as at 28 February 2003 was $56,000, and unliquidated obligations amounted to $339,000. In respect of death and disability compensation, $426,000 had been paid as at 28 February 2003 for nine claims, three claims were pending, and unliquidated obligations amounted to $26,000.

9. The Advisory Committee was provided with expenditure data for the period from 1 July 2002 to 30 June 2003 as at 28 February 2003. Expenditure for the period amounted to $18,079,600 gross ($16,854,300 net) against an apportionment of $31,705,800 gross ($29,927,700 net). The breakdown of the expenditure is contained in annex I below.

III. Proposed budget for the period from 1 July 2003 to 30 June 2004

10. The proposed budget for the maintenance of UNOMIG for the period from 1 July 2003 to 30 June 2004 amounts to $30,958,500 gross ($28,964,700 net), exclusive of budgeted voluntary contributions in kind in the amount of $18,600, as indicated in part II.A of the report of the Secretary-General (A/57/677). The proposed budget represents a 2.4 per cent decrease ($747,300) in gross terms in relation to the apportionment for the current period ending 30 June 2003. As indicated in the table headed "Financial resources" in the summary of the report, the overall decrease of $747,300 reflects a decrease of $11,400 in military personnel costs, an increase of $182,100 in civilian personnel costs and a decrease of $918,000 in operational costs. Table 1 of part II.A of the report provides a breakdown of the proposed budget for UNOMIG by category of expenditure and variances in

requirements between the current budget of the Mission and the cost estimates for 2003/04.

A. Military personnel costs

11. The estimated requirements of $3,483,000 for military personnel would provide for 135 military observers, reflecting no change in the number of observers from the current financial period. The Committee notes that the actual average incumbency in the category of military observers during the period ended 30 June 2002 was 106, reflecting a vacancy rate of 21 per cent. The lower level of deployment of military observers contributed to savings of $373,500, or 9.9 per cent (see A/57/676, para. 5). The Committee was also informed, upon enquiry, that the estimated requirements for military observers for the period 2003/04 reflect a 15 per cent vacancy factor. **The Advisory Committee requests that in the future the Secretariat indicate in supplementary information provided to the Committee whether the lower deployment of military observers was related to difficulty in obtaining them or was due to other reasons; measures proposed to be taken to address the problem should also be provided to the Committee.**

12. The Secretariat clarified, upon enquiry, that the estimated requirements of $27,900 for military contingents relate to wet lease of contingent-owned medical equipment provided to UNOMIG.

B. Civilian personnel costs

13. The proposed staffing requirements for UNOMIG provide for an additional P-5 post for the Deputy Chief Military Observer and two additional posts in the category of national staff. **For the reasons given in its general report on peacekeeping operations (A/57/772), the Committee recommends against the P-5 post at this time.**

14. With regard to the proposed establishment of two national staff posts, the Committee notes from paragraphs 8 and 9 of the budget report (A/57/677) that one post is requested for an air operations assistant and the other is requested for an information technology clerk. The Committee notes that neither the proposed budget nor the additional information provided to the Committee by the Secretariat contains sufficient justification for the two posts. The Committee recalls also that in the context of its review of the budget submission for the current financial period, it did not recommend the establishment of a post of electronic data-processing assistant for the Communications and Information Technology Section (see A/56/887/Add.1, para. 25). No new information is given in support of the need to establish the post of information technology clerk. The Committee discussed the question of adequacy and deployment of staff at the Mission with the Chief Administrative Officer of the Mission and other representatives of the Secretary-General. **The Committee recommends that the current deployment and staff adequacy be kept under review to ensure optimum use of currently approved staff resources. Should additional needs be identified, the subsequent request should be made with full justification taking into account mandate implementation, the efficient use of the Organization's investment in technology and any potential for**

redeployment. Therefore, at this stage, the Committee does not support the establishment of the two national staff posts.

15. The proposed staffing for UNOMIG provides also for the upgrading of the General Service post of the Construction Supervisor to the P-2 level. The Committee recalls that in the course of its examination of the budget estimates for the current period, it had requested that a review be undertaken to determine the appropriate level of the post of the Construction Supervisor (see A/56/887/Add.1, para. 21). **On the basis of the information provided, the Committee has no objection to the proposed upgrading.**

C. Operational costs

16. The Committee notes that performance data for the period ended 30 June 2002 reflect an unencumbered balance of $203,400 under operational requirements, which resulted primarily from the cessation of air patrols for eight months following the helicopter crash on 8 October 2001, the non-purchase of some miscellaneous equipment, lower costs for contractual services, reduced requirements for medical supplies and lower expenditures for local medical examinations. The estimated requirements of $12,192,000 for operational costs for the period 2003/04, while reflecting an overall decrease of $918,000 compared with the current financial period, show resource growth under several budget lines, including general temporary assistance ($20,900, or 33 per cent), official travel ($79,700, or 13.7 per cent), information technology ($112,600, or 9.9 per cent) and miscellaneous supplies, services and equipment ($76,000, or 9.2 per cent).

17. The Committee is concerned that the travel requirements of $663,000 for UNOMIG for 2003/04 show significant growth ($79,700, or 13.7 per cent) compared with the current budget of $583,300, and even higher growth ($251,900, or 61.3 per cent) compared with the expenditure of $411,100 for the period ended 30 June 2002. No satisfactory justification was provided for the proposed increase. The Committee recalls that in the course of its review of the travel requirements of the Mission for the current financial period it expressed the opinion that "the Mission should review its travel requirements with a view to achieving economies" (A/56/887/Add.1, para. 28). Part V of the budget report (A/57/677) contains information on the implementation of requests and recommendations of the Advisory Committee; however, no indication is given that such a review has ever been undertaken. **The Committee reiterates its request and recommends against the requested resource growth of $79,700 for travel. Moreover, the Committee recommends that in implementing the travel programme of the Mission, priority be given to travel related to political consultations and within Mission areas.** The Committee's views on travel for training are contained in its general report on peacekeeping operations (A/57/772).

18. With regard to the estimated requirements of $1,254,900 for information technology, the Committee notes from the additional information provided by the Secretariat that $826,500 is proposed for the acquisition of information technology equipment, including 22 desktop computers, 34 laptop computers and 6 printers. According to a clarification provided by the Secretariat, the Mission would have as at 30 June 2003 a total of 370 computers (280 desktop and 90 laptop); proposed purchases would bring the total number of computers to 426. Taking into account

that the current number of authorized posts for the Mission is 421, including 135 military observers, the ratio of computers to staff would exceed 1 to 1. **The Committee is of the view that there is a potential for savings in this area.**

19. Significant growth in resource requirements compared with the current budget period is proposed for the acquisition of software packages ($22,500, or 15.6 per cent), information technology services ($56,500, or 251.1 per cent) and spare parts and supplies ($12,300, or 20 per cent). Moreover, a new provision of $108,600 is requested for licences, fees and rental of software, without any indication as to why there is a need for such expenditure. The Advisory Committee is not aware of any new information technology projects being implemented or considered for development by the Mission that might justify the proposed increase in the requirements referred to above. **The Committee requests that the information technology programme of the Mission be reviewed with a view to achieving economies by establishing its most effective and efficient configuration.**

20. The Committee observes that no satisfactory explanation was provided in the budget submission or in supplementary information prepared by the Secretariat for the increase of $76,000 for miscellaneous supplies, services and equipment. For example, no explanation was given for the 66.7 per cent increase in resource requirements for bank charges or for the 30.4 per cent increase for freight and related costs. **The Committee requests that such significant variances in resource requirements, both positive and negative, be more fully explained and justified in detail in future budget documents.**

21. The Advisory Committee recalls its previous observation that it was not convinced that the expense of procurement, installation and maintenance of the Carlog system in UNOMIG was cost-effective (see A/56/887/Add.1, para. 17). While the Committee was informed that the Carlog system, among its other uses, contributed to lowering the number of traffic accidents, since the software could be used to estimate the speed of the vehicles before an accident, **the Committee remains to be convinced of the cost-effectiveness of the system, and it therefore requests that the next budget submission provide information to this effect.**

22. The Advisory Committee was informed that following the helicopter crash on 8 October 2001 an investigation was conducted in accordance with International Civil Aviation Organization (ICAO) requirements by the relevant aviation authorities of the country of the helicopter's registration. The United Nations participated in this investigation as an accredited representative, in accordance with ICAO procedures. The accident was also investigated by the Department of Peacekeeping Operations, which is normal procedure in all accidents affecting aircraft under contract to the United Nations for use in peacekeeping missions. Aviation safety investigations of the type described above are conducted for the purpose of accident prevention. The Board of Investigation field report was completed on 26 October 2002. The Committee also notes from part V of the budget report (A/57/677) that it is the policy of the Organization to separate the functions of air operations and air safety. The Committee recalls that it had recommended the establishment of an air safety assistant post for the Mission when it reviewed the budget submission for the current financial period. The Committee was informed that recruitment was at an advanced stage. **The Committee expresses concern about the delay in the process of appointing an air safety assistant.**

23. The Committee notes from the supplementary information prepared by the Secretariat that the Mission envisages 1,980 flying hours for helicopters during the period 2003/04, compared with 2,700 flying hours for the current period. No information is provided in the budget submission or in the supplementary information prepared by the Secretariat on the use of aircraft by non-mission personnel and related reimbursement. **The Committee requests that this information be provided in the future.**

24. The Committee notes that because of the size of the Mission, there is no resident auditor at UNOMIG. The Committee was informed that the latest audit by the Office of Internal Oversight Services was carried out in July 2000 and that there were regular visits by external auditors. Expenditure for external auditing amounted to $67,800 for the period ended 30 June 2002, and the amounts of $61,500 and $69,000 have been allocated and estimated for 2002/03 and 2003/04 respectively. **The Committee welcomes this attention by external auditors.**

25. **The Committee observes that no information on contributions by the Government of Georgia under the status-of-mission agreement is included in the report. The Committee requests that this information be included in future budget submissions for the Mission.**

IV. Recommendations of the Advisory Committee

26. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 17 of the performance report (A/57/676). **The Advisory Committee recommends that the unencumbered balance of $1,710,000 gross ($1,847,200 net) for the period from 1 July 2001 to 30 June 2002 and the other income and adjustments for the period ended 30 June 2002, amounting to $977,000, be credited to Member States in a manner to be determined by the General Assembly.**

27. The actions to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2003 to 30 June 2004 are set out in paragraph 17 of the proposed budget (A/57/677). **The Advisory Committee recommends that the amount of $30,709,000 gross ($28,748,800 net) be approved for the maintenance of UNOMIG for the 12-month period from 1 July 2003 to 30 June 2004, and that that amount be assessed at a monthly rate of $2,559,083 gross ($2,395,733 net) should the Security Council decide to continue the mandate of the Mission.**

Annex

United Nations Observer Mission in Georgia: status of expenditure for the period from 1 July 2002 to 30 June 2003 as at 28 February 2003

(Thousands of United States dollars)

Category	*Apportionment (1)*	*Expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*
I. Military and police personnel			
Military observers	3 466.5	2 242.5	1 224.0
Military contingents	27.9	27.9	-
Civilian police	-	-	-
Formed police units	-	-	-
Subtotal, line 1	**3 494.4**	**2 270.4**	**1 224.0**
II. Civilian personnel			
International staff	12 696.4	7 496.4	5 290.0
National staff	2 405.0	1 402.1	1 002.9
United Nations Volunteers	-	-	-
Subtotal, line 2	**15 101.4**	**8 808.5**	**6 292.9**
III. Operational costs			
General temporary assistance	63.3	72.2	(8.9)
Government-provided personnel	-	-	-
Civilian electoral observers	-	-	-
Consultants	-	-	-
Official travel	583.3	448.6	134.7
Facilities and infrastructure	2 584.7	1 528.5	1 056.2
Ground transportation	2 218.2	269.7	1 948.5
Air transportation	4 106.3	2 410.1	1 696.2
Naval transportation	-	-	-
Communications	1 484.2	1 207.7	276.5
Information technology	1 080.8	275.3	805.5
Medical	148.9	124.2	24.7
Special equipment	14.4	-	14.4
Miscellaneous supplies, services and equipment	825.9	664.4	161.5
Quick-impact projects	-	-	-
Subtotal, line 3	**13 110.0**	**7 000.7**	**6 109.3**
Gross requirements	**31 705.8**	**18 079.6**	**13 626.2**
Staff assessment income	1 778.1	1 225.3	552.8
Net requirements	**29 927.7**	**16 854.3**	**13 073.4**
Voluntary contributions in kind (budgeted)	-	-	-
Total requirements	**31 705.8**	**18 079.6**	**13 626.2**

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission for the Referendum in Western Sahara

Financial performance report for the period from 1 July 2001 to 30 June 2002 and proposed budget for the period from 1 July 2003 to 30 June 2004 of the United Nations Mission for the Referendum in Western Sahara

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2001 to 30 June 2002 (A/57/674) and on the proposed budget for the Mission for the period from 1 July 2003 to 30 June 2004 (A57/675 and Corr.1). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

2. By its resolution 690 (1991) of 29 April 1991, the Security Council established MINURSO for an initial period of six months. Since then, its mandate has been extended by the Council in various resolutions, the latest of which was resolution 1469 (2003) of 25 March 2003, by which it was extended until 31 May 2003.

I. Financial performance report for the period from 1 July 2001 to 30 June 2002

3. The General Assembly, by its resolution 55/262 of 14 June 2001, appropriated an amount of $50,481,396 gross ($46,716,010 net) for the maintenance of MINURSO for the period from 1 July 2001 to 30 June 2002, inclusive of $1,477,457 gross ($1,296,614 net) for the support account and $154,339 gross ($138,596 net) for the United Nations Logistics Base at Brindisi, Italy. Expenditures for the period

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totalled $39,090,500 gross ($36,339,200 net), resulting in an unutilized balance of $9,759,100 gross ($8,941,600 net). Full reported expenditure amounted to $40,896,600, including $1,806,100 in voluntary contributions.

4. The unutilized balance of $9,759,100 gross ($8,941,600 net) resulted from reduced requirements for military and police personnel ($1,648,900), civilian personnel ($6,263,800), operational requirements ($1,846,400) and staff assessment ($817,500).

5. The comments of the Advisory Committee on the information contained in the performance report (A/57/674) on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget (A/57/675 and Corr.1) in section III below.

II. Information on performance for the current period

6. The Advisory Committee was informed that, as at 28 February 2003, the cash position of MINURSO amounted to $2 million. Assessment on Member States amounted to $490,835,600 and payments received totalled $434,994,210. Total unliquidated obligations for the period from 1 July 2001 to 30 June 2002 were $3.4 million, and current loans were $3 million from the United Nations Mission in Haiti and $1 million from the United Nations Transition Assistance Group.

7. The Advisory Committee was informed that, as at 28 February 2003, $6.5 million had been reimbursed for troop costs for the period from inception to 31 March 2002 and that the amount owed for the period from 1 April 2002 to 28 February 2003 was $258,900.

8. With regard to reimbursement for contingent-owned equipment, the Advisory Committee was informed that, as at 28 February 2003, $5,138,900 had been reimbursed; the estimated amount owed was $5,404,600; and unliquidated obligations for contingent-owned equipment amounted to $1,715,500. As regards death and disability, 10 claims had been settled, amounting to $315,400; the balance of obligations amounted to $401,200, with one claim remaining.

9. On the disposal of assets, the Advisory Committee notes from the report of the Board of Auditors that assets amounting to $4.9 million are pending write-off or disposal.[1] Upon enquiry, the Advisory Committee was informed that the Mission has 250 vehicles to dispose of but local regulations make it very difficult to complete the process quickly.

10. The Advisory Committee notes from the report of the Board of Auditors that the procurement plans of MINURSO were not included in the overall procurement plan owing to a delay in their submission to the Procurement Division.[2] Upon enquiry, the Advisory Committee was informed that the delay was due to the fact that most staff trained in procurement had left the Mission. **The Committee points out that this is another example of the need for better staff management.**

11. Upon enquiry, the Advisory Committee was informed that the fund management tool had not yet been deployed in MINURSO.

12. The Advisory Committee was provided with expenditure data for the period from 1 July 2002 to 30 June 2003 as at 28 February 2003 (see annex I below).

Expenditure for the period amounted to $25,180,800 gross ($23,878,100 net) against an apportionment of $41,529,500 gross ($38,488,500 net).

III. Proposed budget for the period from 1 July 2003 to 30 June 2004

13. As indicated in the summary of the report of the Secretary-General (A/57/675 and Corr.1), the proposed budget for MINURSO for the period from 1 July 2003 to 30 June 2004 amounts to $42,463,300 gross ($39,144,700 net), exclusive of voluntary contributions, representing an increase of 2.2 per cent when compared with the amount of $41,529,500 gross ($38,488,500 net) approved for the period from 1 July 2002 to 30 June 2003.

Military personnel

14. For the period from 1 July 2003 to 30 June 2004, the authorized number of military observers is 203, the same as for the period from 1 July 2002 to 30 June 2003. The related cost estimates amount to $4,608,100, representing a decrease of $192,900 (4 per cent) when compared with the $4,801,000 approved for the period from 1 July 2002 to 30 June 2003 (see A/57/675 and Corr.1, sect. II.A, table 1). The decrease is due mainly to lower air fares for travel of military observers than in the current period. Expenditure for military observers for the period from 1 July 2001 to 30 June 2002 amounted to $5,034,100 out of $5,298,300 approved (see A/57/674, sect. II.A).

Civilian personnel

15. With regard to staff resources, the Advisory Committee notes that 424 posts are requested for the period from 1 July 2003 to 30 June 2004, representing an increase of one (for a P-5 post) when compared with the 423 posts for the period from 1 July 2002 to 2003 (see A/57/675 and Corr.1, sect. II.B, table 2). The additional P-5 post is for the Deputy Chief Military Observer. **The Committee recommends against granting this request for reasons given in its general report.**

16. **The Advisory Committee notes from additional information provided that a large number of staff have been retained in the Mission for extended periods of time. The Committee trusts that, consistent with the needs of the Mission to retain trained personnel, renewed emphasis will be placed on mobility.**

17. The estimates for the period from 1 July 2003 to 30 June 2004 provide for $19,457,800 for international staff and $1,767,800 for national staff. For the current period, expenditure for international staff, as at 28 February 2003, was $11,503,700 out of the approved amount of $19,941,700 and for national staff was $884,900 out of the approved amount of $1,693,100 (see annex I below). For the period from 1 July 2001 to 30 June 2002, expenditure for international staff was $18,636,700 out of the approved amount of $24,811,900 and for national staff was $1,084,100 out of the approved amount of $1,172,700 (see A/57/674, sect. II.A).

18. This pattern of expenditure reflects a very high vacancy situation. For example, as at 31 December 2002, only 26 posts out of 81 authorized for the civilian police and only 131 out of 300 authorized for international staff were encumbered.

Notwithstanding the high rate of vacancies, the Advisory Committee notes that a vacancy rate of 5 per cent was applied to international staff for the period from 1 July 2003 to 30 June 2004, compared with a zero rate applied for the period from 1 July 2002 to 30 June 2003. In the case of military police, a zero rate was applied.

19. The Advisory Committee notes that the estimates for salaries, common staff costs, staff assessment and mission subsistence allowance take into account the suspension of the activities of the Identification Commission and have been calculated on the basis of a staffing establishment of 185 international staff (51 Professional and above, 79 Field Service, 49 General Service (Other level) and 6 Security Service) in lieu of the authorized strength of 300 international posts. **In view of the performance data cited above, the Advisory Committee doubts the accuracy of the staffing cost parameters in paragraph 8 of the budget document and believes that related estimates are overstated.**

Operational costs

20. With regard to operational costs, the Advisory Committee notes from table 1 of section II.A of the budget document (A/57/675 and Corr.1) that the amount of $15,403,200 is requested for the period from 1 July 2003 to 30 June 2004, representing an increase of $1,679,300 (12.2 per cent) when compared with the amount of $13,723,800 approved for the period from 1 July 2002 to 30 June 2003. Expenditure under operational costs for the period from 1 July 2001 to 30 June 2002 amounted to $13,025,000.

21. The amount of $347,500[3] is requested for official travel for the period from 1 July 2003 to 30 June 2004, representing an increase of $146,900 (73 per cent) when compared with the amount of $200,400 approved for the period from 1 July 2002 to 30 June 2003. Included in the amount of $347,500 is $89,000 for official travel for training. This is in addition to the amount of $144,800 requested to train 32 staff. Expenditures for official travel for the period from 1 July 2001 to 30 June 2002 amounted to $263,700, representing an increase of $78,400 (42 per cent) when compared with the approved amount of $185,300. The Advisory Committee notes that of the amount of $263,700 more than half ($184,200) was for training- and management-related activities and only $79,500 was for political consultation and travel within the Mission. Similarly, for the period from 1 July 2003 to 30 June 2004, of the amount of 347,300 requested for official travel, more than half ($221,900) is for training- and management-related activities and only $125,400 is for political consultation and travel within the Mission. The Committee has commented on official travel for management and training in its general report on peacekeeping operations.

22. The amount of $2,155,600 is requested for facilities and infrastructure for the period from 1 July 2003 to 30 June 2004, representing an increase of $97,800 (4.8 per cent) when compared with the amount of $2 057,800 approved for the period from 1 July 2002 to 30 June 2003 (see A/57/675 and Corr.1, sect. II.A, table 1). The Advisory Committee was informed that the increase is due to increased requirements for the acquisition of prefabricated facilities stemming from the immediate need to refurbish the 13-year-old weather havens, related acquisition of accommodation equipment, office furniture, sanitation and cleaning materials, and rental of premises for a transport workshop. For the period from 1 July 2001 to 30 June 2002, there was underexpenditure of $447,600 (21.7 per cent) for facilities and

infrastructure (see A/57/674, sect. II A). This was due to the suspension of the activities of the Identification Commission and the corresponding reduction in personnel and civilian monitors, which resulted in lower requirements for equipment, supplies and services than originally foreseen in the cost estimates (ibid., para. 12).

23. The amount of $3,953,800 is requested for ground transportation for the period from 1 July 2003 to 30 June 2004, representing an increase of $2,021,800 (104.6 per cent) when compared with the amount of $1,932,000 approved for the period from 1 July 2002 to 30 June 2003. The increase is due to the fact that the Mission will replace 8 medium and 116 light 4x4 vehicles during the period (40 per cent of its current vehicle fleet), at a total cost of $2.8 million, since most of the vehicles have already reached the replacement age of five years or the mileage limit of 100,000 kilometres. The Advisory Committee was also informed that some of the vehicles to be replaced were obtained from other missions and that MINURSO was incurring high maintenance costs. There was underexpenditure of $240,000 (8.6 per cent) for ground transportation for the period from 1 July 2001 to 30 June 2002. This was because the actual costs of vehicle purchases were less than the budgeted amounts, resulting in savings under this item. (ibid., para. 13).

24. The amount of $5,511,800 is requested for air transportation for the period from 1 July 2003 to 30 June 2004, representing a decrease of $891,800 (13.9 per cent) when compared with the amount of $6,403,600 approved for the period from 1 July 2002 to 30 June 2003. The reduction is due to lower rental and operational costs for both fixed-wing aircraft and helicopters under current air charter contracts (see A/57/675 and Corr.1, para. 14). For the period from 1 July 2001 to 30 June 2002, there was underexpenditure of $720,300 (11.2 per cent) under this item. This was due to the fact that there were fewer actual flying hours than budgeted, resulting in reduced landing fees and ground handling and less fuel consumption than had been estimated (see A/57/674, para. 14). Upon enquiry, the Advisory Committee was informed that for the period from 1 July 2001 to 30 June 2002, provision was made for 3,060 hours for the three helicopters (600 block hours and 420 extra hours per helicopter) at a total cost of $2,221,100. In addition, provision was made for positioning costs of $180,000 and painting and preparation costs of $9,000, bringing the total to $2,410,100. With regard to actual flight hours, the Advisory Committee was informed that the 600 block hours were fully utilized for the three helicopters. However, only 143 out of the 420 extra hours budgeted were used, resulting in actual charter costs of $2,035,000. In addition, actual positioning costs amounted to $210,000 and painting and preparation costs amounted to $30,000, bringing the total rental and operation costs for helicopters to $2,275,000.

25. In connection with expenditure for fixed-wing aircraft for the period from 1 July 2001 to 30 June 2002, the Advisory Committee was informed that provision had been made for 480 block hours and 240 extra hours for each of the three fixed-wing aircraft. Although all block hours were used, only 82 out of the 240 extra hours were used; despite this, due to contractual obligations, there was no reduction in the charter costs. The unencumbered balance of $34,000 is due to lower positioning costs and the fact that the amount of $4,000 for painting was not utilized.

26. With regard to training, the Advisory Committee notes that for the period from 1 July 2003 to 30 June 2004, 32 staff are to be trained at a cost of $144,800, not

including travel (see para. 23 above). The Committee was informed that for the period from 1 July 2002 to 30 June 2003, 19 staff were to receive training. For the period from 1 July 2001 to 30 June 2002, the amount of $214,500 was used to train 40 staff (not including travel costs of $113,000). Upon enquiry, the Committee was informed that most of the staff trained had left the Mission to join other missions, including four trained in aviation who went to the United Nations Mission in Ethiopia and Eritrea and the United Nations Organization Mission in the Democratic Republic of the Congo. In this connection, the Committee notes that for the period from 1 July 2003 to 30 June 2004, provision is made to train four staff in various skills, including air safety, to replace those who have left the Mission.

27. For communications, the amount of $676,600 is requested for the period from 1 July 2003 to 30 June 2004, representing a decrease of $115,300 (14.6 per cent) when compared with the amount of $791,900 approved for the period from 1 July 2002 to 30 June 2003. The decrease is due to lower requirements for spare parts, taking into account past expenditure patterns as well as the Mission's ongoing efforts to replace old, obsolete and damaged communications equipment with up-to-date equipment and technology in order to improve communications capabilities throughout the area of operation, particularly at the team sites (see A/57/675 and Corr.1, para. 15).

28. The amount of $673,500 is requested for information technology for the period from 1 July 2003 to 30 June 2004, representing an increase of $212,300 (46 per cent) when compared with the amount of $461,200 approved for the period from 1 July 2002 to 30 June 2003. The increase is due to plans to replace 25 per cent of the Mission's current inventory of computers, laptops, printers and servers as well as to upgrade its communications and information technology (Ibid., para. 16). **In this connection, the Advisory Committee cautions against the apparent tendency to habitually replace information technology and communications equipment merely to keep up with the new, state-of-the-art developments in equipment and software. There appears to be little evidence that these regular changes automatically increase the productivity and efficiency of mission operations.**

IV. Recommendations of the Advisory Committee

29. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2001 to 30 June 2002 are indicated in paragraph 18 of the performance report (A/57/674). **The Advisory Committee recommends that the unencumbered balance of $9,759,100 for the period from 1 July 2001 to 30 June 2002 and other income and adjustments of $2,530,400 be credited to Member States in a manner to be decided by the General Assembly.**

30. The actions to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2003 to 30 June 2004 are set out in paragraph 18 of the proposed budget (A/57/675 and Corr.1). The Advisory Committee notes that there has been persistent underexpenditure in this Mission, as shown in annexes I and II below. In view of the expenditure pattern for this Mission, and taking into account what it has said above with regard to budgeting for staff costs and travel, **the Advisory Committee recommends that the amount of $41,529,500 gross ($38,488,500 net)[4] be appropriated for the maintenance of**

MINURSO for the 12-month period from 1 July 2003 to 30 June 2004 and that the amount be assessed at a monthly rate of $3,460,792 gross ($3,207,375 net) should the Security Council decide to extend the mandate of MINURSO beyond 31 May 2003.

Notes

[1] See *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5* (A/57/5), vol. II, table II.4.

[2] Ibid., chap. II, paras. 124-125.

[3] The Committee was informed that due to a typographical error, the amount of $347,500 indicated in the budget document should read $347,300.

[4] Equivalent to the level of the apportionment for 2002-2003.

Annex I

MINURSO: Status of expenditure for the period from 1 July 2002 to 30 June 2003 as at 28 February 2003

(Thousands of United States dollars)

Category	*Apportionment (1)*	*Expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*
I. Military and police personnel			
Military observers	4 801.0	2 949.5	1 851.5
Military contingents	791.4	568.2	223.2
Civilian police	578.5	379.5	199.0
Formed police units	-	-	-
Subtotal, line 1	**6 170.9**	**3 897.2**	**2 273.7**
II. Civilian personnel			
International staff	19 941.7	11 503.7	8 438.0
National staff	1 693.1	884.9	808.2
United Nations Volunteers	-	-	-
Subtotal, line 2	**21 634.8**	**12 388.6**	**9 246.2**
III. Operational costs			
General temporary assistance	-	-	-
Government-provided personnel	195.0	23.7	171.3
Civilian electoral observers	-	-	-
Consultants	32.9	9.0	23.9
Official travel	200.4	294.7	(94.3)
Facilities and infrastructure	2 057.8	721.0	1 336.8
Ground transportation	1 932.0	1 050.0	882.0
Air transportation	6 403.6	4 875.1	1 528.5
Naval transportation	-	-	-
Communications	791.9	732.6	59.3
Information technology	461.2	88.3	372.9
Medical	88.0	46.0	42.0
Special equipment	-	-	-
Miscellaneous supplies, services and equipment	1 561.0	1 054.6	506.4
Quick-impact projects	-	-	-
Subtotal, line 3	**13 723.8**	**8 895.0**	**4 828.8**

Category	*Apportionment (1)*	*Expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*
Gross requirements	**41 529.5**	**25 180.8**	**16 348.7**
Staff assessment income	3 041.0	1 302.7	1 738.3
Net requirements	**38 488.5**	**23 878.1**	**14 610.4**
Voluntary contributions in kind (budgeted)	3 670.8	-	3 670.8
Total requirements	**45 200.3**	**25 180.8**	**20 019.5**

Annex II

Unencumbered balances in the budget for the United Nations Mission for the Referendum in Western Sahara

(United States dollars)

	Unencumbered balance	
Period	*Gross*	*Net*
1 July 1998-30 June 1999	15 392 300	13 520 600
1 July 1999-30 June 2000	2 913 400	2 312 800
1 July 2000-30 June 2001	3 327 737	2 862 202

Of $45.2 million approved for the period from 1 July 2002 to 30 June 2003, expenditure as at 28 February 2003 amounted to $25.2 million.